The New-York Times.

VOL. XVI.....NO. 4740. NEW-YORK, TUESDAY, DECEMBER 4, 1866. PRICE FOUR CENTS.

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THE PRESIDENT'S MESSAGE.

Fellow-citizens of the Senate and House of Representatives:

After a brief interval the Congress of the United States resumes its annual legislative labors. An all-wise and merciful Providence has abated the pestilence which visited our shores, leaving its calamitous traces upon some portions of our country. Peace, order, tranquility and civil authority have been formally declared to exist throughout the whole of the United States. In all of the States civil authority has superseded the coercion of arms, and the people, by their voluntary action, are maintaining their Governments in full activity and complete operation. The enforcement of the laws is no longer "obstructed in any State by combinations too powerful to be suppressed by the ordinary course of judicial proceedings;" and the animosities engendered by the war are rapidly yielding to the beneficent influences of our free institutions, and to the kindly effects of unrestricted social and commercial intercourse. An entire restoration of fraternal feeling must be the earnest wish of every patriotic heart; and we will have accomplished our grandest national achievement when, forgetting the sad events of the past, and remembering only their instructive lessons, we resume our onward career as a free, prosperous and united people.

THE SOUTHERN STATES.

In my message of the 4th of December, 1865, Congress was informed of the measures which had been instituted by the Executive with a view to the gradual restoration of the States in which the insurrection occurred to their relations with the General Government. Provisional Governors had been appointed, Conventions called, Governors elected, Legislatures assembled, and Senators and Representatives chosen to the Congress of the United States. Courts had been opened for the enforcement of laws long in abeyance. The blockade had been removed, Custom-houses reestablished, and the internal revenue laws put in force, in order that the people might contribute to the national income. Postal operations had been renewed, and efforts were being made to restore them to their former condition of efficiency. The States themselves had been asked to take part in the high function of amending the Constitution, and of thus sanctioning the extinction of African Slavery as one of the legitimate results of our internecine struggle.

Having progressed thus far, the Executive Department found that it had accomplished nearly all that was within the scope of its constitutional authority. One thing, however, yet remained to be done before the work of restoration could be completed, and that was the admission to Congress of loyal Senators and Representatives from the States whose people had rebelled against the lawful authority of the General Government. This question devolved upon the respective Houses, which, by the Constitution, are made the judges of the elections, returns and qualifications of their own members; and its consideration at once engaged the attention of Congress.

In the meantime, the Executive Department—no other plan having been proposed by Congress—continued its efforts to perfect, as far as was practicable, the restoration of the proper relations between the citizens of the respective States, the States and the Federal Government, extending, from time to time, as the public interests seemed to require, the judicial, revenue and postal systems of the country. With the advice and consent of the Senate, the necessary officers were appointed, and appropriations made by Congress for the payment of their salaries. The proposition to amend the Federal Constitution, so as to prevent the existence of Slavery within the United States or any place subject to their jurisdiction, was ratified by the requisite number of States; and on the 18th day of December, 1865, it was officially declared to have become valid as a part of the Constitution of the United States. All of the States in which the insurrection had existed promptly amended their Constitutions, so as to make them conform to the great change thus effected in the organic law of the land; declared null and void all ordinances and laws of secession; repudiated all pretended debts and obligations created for the revolutionary purposes of the insurrection; and proceeded, in good faith, to the enactment of measures for the protection and amelioration of the condition of the colored race. Congress, however, yet hesitated to admit any of these States to representation; and it was not until toward the close of the eighth month of the session that an exception was made in favor of Tennessee, by the admission of her Senators and Representative.

NON-ADMISSION OF LOYAL REPRESENTATIVES.

It is a subject of profound regret that Congress has thus far failed to admit to seats loyal Senators and Representatives from the other States, whose inhabitants, with those of Tennessee, had engaged in the rebellion. Ten States—more than one-fourth of the whole number—remain without representation; the seats of fifty members in the House of Representatives and of twenty members in the Senate are yet vacant—not by their own consent, not by a failure of election, but by the refusal of Congress to accept their credentials. Their admission, it is believed, would have accomplished much toward the renewal and strengthening of our relations as one people, and removed serious cause for discontent on the part of the inhabitants of those States. It would have accorded with the great principle enunciated in the Declaration of American Independence, that no people ought to bear the burden of taxation, and yet be denied the right of representation. It would have been in consonance with the express provisions of the Constitution, that "each State shall have at least one Representative," and "that no State, without its consent, shall be deprived of its equal suffrage in the Senate." These provisions were intended to secure to every State, and to the people of every State, the right of representation in each House of Congress; and so important was it deemed by the framers of the Constitution that the equality of the States in the Senate should be preserved, that not even by an amendment of the Constitution can any State, without its consent, be denied a voice in that branch of the National Legislature.

STATES ARE NOT CONQUERED TERRITORIES.

It is true, it has been assumed that the existence of the States was terminated by the rebellious acts of their inhabitants, and that the insurrection having been suppressed, they were thenceforward to be considered merely as conquered territories. The Legislative, Executive and Judicial Departments of the Government have, however, with great distinctness and uniform consistency, refused to sanction an assumption so incompatible with the nature of our republican system, and with the professed objects of the war. Throughout the recent legislation of Congress, the undeniable fact makes itself apparent that these ten political communities are nothing less than States of this Union. At the very commencement of the rebellion each House declared, with a unanimity as remarkable as it was significant, that the war was not "waged, upon our part, in any spirit of oppression, nor for any purpose of conquest or subjugation, nor purpose of overthrowing or interfering with the rights or established institutions of those States, but to defend and maintain the supremacy of the Constitution and all laws made in pursuance thereof, and to preserve the Union with all the dignity, equality, and rights of the several States unimpaired; and that as soon as these objects" were "accomplished the war ought to cease." In some instances, Senators were permitted to continue their legislative functions, while in other instances Representatives were elected and admitted to seats after their States had formally declared their right to withdraw from the Union, and were endeavoring to maintain that right by force of arms. All of the States whose people were in insurrection, as States, were included in the apportionment of the direct tax of twenty millions of dollars annually laid upon the United States by the act approved 5th August, 1861. Congress, by the act of March 4, 1862, and by the apportionment of representation thereunder, also recognized their presence as States in the Union; and they have, for judicial purposes, been divided into districts, as States alone can be divided. The same recognition appears in the recent legislation in reference to Tennessee, which evidently rests upon the fact that the functions of the State were not destroyed by the rebellion, but merely suspended; and that principle is of course applicable to those States which, like Tennessee, attempted to renounce their places in the Union.

The action of the Executive Department of the Government upon this subject has been equally definite and uniform, and the purpose of the war was specifically stated in the proclamation issued by my predecessor on the 22d day of September, 1862. It was then solemnly proclaimed and declared that "hereafter, as heretofore, the war will be prosecuted for the object of practically restoring the constitutional relation between the United States and each of the States and the people thereof, in which States that relation is or may be suspended or disturbed."

The recognition of the States by the Judicial Department of the Government has also been clear and conclusive in all proceedings affecting them as States, had in the Supreme, Circuit and District Courts.

NO DANGER IN ADMITTING REPRESENTATIVES.

In the admission of Senators and Representatives from any and all of the States, there can be no just ground of apprehension that persons who are disloyal will be clothed with the powers of legislation; for this could not happen when the Constitution and the laws are enforced by a vigilant and faithful Congress. Each House is made the "judge of the elections, returns and qualifications of its own members," and may, "with the concurrence of two-thirds, expel a member." When a Senator or Representative presents his certificate of election, he may at once be admitted or rejected; or, should there be any question as to his eligibility, his credentials may be referred for investigation to the appropriate Committee. If admitted to a seat, it must be upon evidence satisfactory to the House of which he thus becomes a member, that he possesses the requisite constitutional and legal qualifications. If refused admission as a member for want of due allegiance to the Government, and returned to his constituents, they are admonished that none but persons loyal to the United States will be allowed a voice in the legislative councils of the nation, and the political power and moral influence of Congress are thus effectively exerted in the interests of loyalty to the Government and fidelity to the Union. Upon this question, so vitally affecting the restoration of the Union and the permanency of our present form of government, my convictions, heretofore expressed, have undergone no change; but, on the contrary, their correctness has been confirmed by reflection and time. If the admission of loyal members to seats in the respective Houses of Congress was wise and expedient a year ago, it is no less wise and expedient now. If this anomalous condition is right now—if, in the exact condition of these States at the present time, it is lawful to exclude them from representation—I do not see that the question will be changed by the efflux of time. Ten years hence, if these States remain as they are, the right of representation will be no stronger—the right of exclusion will be no weaker.

EFFECTS OF SUCH ADMISSION.

The Constitution of the United States makes it the duty of the President to recommend to the consideration of Congress "such measures as he shall judge necessary or expedient." I know of no measure more imperatively demanded by every consideration of national interest, sound policy, and equal justice, than the admission of loyal members from the now unrepresented States. This would consummate the work of restoration, and exert a most salutary influence in the reestablishment of peace, harmony, and fraternal feeling. It would tend greatly to renew the confidence of the American people in the vigor and stability of their institutions. It would bind us more closely together as a nation, and enable us to show to the world the inherent and recuperative power of a Government founded upon the will of the people, and established upon the principles of liberty, justice and intelligence. Our increased strength and enhanced prosperity would irrefragably demonstrate the fallacy of the arguments against free institutions drawn from our recent national disorders by the enemies of Republican Government. The admission of loyal members from the States now excluded from Congress, by allaying doubt and apprehension, would turn capital, now awaiting an opportunity for investment, into the channels of trade and industry. It would alleviate the present troubled condition of those States, and, by inducing emigration, aid in the settlement of fertile regions now uncultivated and lead to an increased production of those staples which have added so greatly to the wealth of the nation and the commerce of the world. New fields of enterprise would be opened to our progressive people, and soon the devastations of war would be repaired and all traces of our domestic differences effaced from the minds of our countrymen.

CONSOLIDATION TO BE AVOIDED.

In our efforts to preserve "the unity of Government which constitutes us one people," by restoring the States to the condition which they held prior to the rebellion, we should be cautious, lest, having rescued our nation from perils of threatened disintegration, we resort to consolidation, and in the end absolute despotism, as a remedy for the recurrence of similar troubles. The war having terminated, and with it all occasion for the exercise of powers of doubtful constitutionality, we should hasten to bring legislation within the boundaries prescribed by the Constitution, and to return to the ancient landmarks established by our fathers for the guidance of succeeding generations. "The Constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all." "If, in the opinion of the people, the distribution or modification of the constitutional powers be, in any particular, wrong, let it be corrected by an amendment in the way in which the Constitution designates. But let there be no change by usurpation; for "it is the customary weapon by which free governments are destroyed." WASHINGTON spoke these words to his countrymen, when, followed by their love and gratitude, he voluntarily retired from the cares of public life. "To keep in all things within the pale of our constitutional powers, and cherish the Federal Union as the only rock of safety," were prescribed by JEFFERSON as rules of action to endear to his "countrymen the true principles of their Constitution, and promote a union of sentiment and action equally auspicious to their happiness and safety." JACKSON held that the action of the General Government should always be strictly confined to the sphere of its appropriate duties, and justly and forcibly urged that our Government is not to be maintained nor our Union preserved "by invasions of the rights and powers of the several States. In thus attempting to make our General Government strong we make it weak. Its true strength consists in leaving individuals and States as much as possible to themselves; in making itself felt, not in its power, but in its beneficence; not in its control, but in its protection; not in binding the States more closely to the centre, but leaving each to move unobstructed in its proper constitutional orbit." These are the teachings of men whose deeds and services have made them illustrious, and who, long since withdrawn from the scenes of life, have left to their country the rich legacy of their example, their wisdom, and their patriotism. Drawing fresh inspiration from their lessons, let us emulate them in love of country and respect for the Constitution and the laws.

OUR FINANCES.

The report of the Secretary of the Treasury affords much information respecting the revenue and commerce of the country. His views upon the currency, and with reference to a proper adjustment of our revenue system, internal as well as impost, are commended to the careful consideration of Congress. In my last Annual Message I expressed my general views upon these subjects. I need now only call attention to the necessity of carrying into every Department of the Government a system of rigid accountability, thorough retrenchment, and wise economy. With no exceptional or unusual expenditures, the oppressive burdens of taxation can be lessened by such a modification of our revenue laws as will be consistent with the public faith, and the legitimate and necessary wants of the Government.

The report presents a much more satisfactory condition of our finances than one year ago the most sanguine could have anticipated. During the fiscal year ending the 30th of June, 1865, the last year of the war, the public debt was increased $941,902,587, and on the 31st of October, 1865, it amounted to $2,740,854,750. On the 31st day of October, 1866, it had been reduced to $2,551,310,006, the diminution during a period of fourteen months, commencing Sept. 1, 1865, and ending Oct. 31, 1866, having been $206,379,565. In the last annual report on the state of the finances, it was estimated that during the three-quarters of the fiscal year ending the 30th of June last, the debt would be increased $112,194,947. During that period, however, it was reduced $31,196,387, the receipts of the year having been $89,905,905 more, and the expenditures $200,529,235 less than the estimates. Nothing could more clearly indicate than these statements the extent and availability of the national resources, and the rapidity and safety with which, under our form of government, great military and naval establishments can be disbanded, and expenses reduced from a war to a peace footing.

During the fiscal year ending the 30th of June, 1866, the receipts were $558,032,620, and the expenditures $520,750,940, leaving an available surplus of $37,281,680. It is estimated that the receipts for the fiscal year ending the 30th June, 1867, will be $475,061,386, and that the expenditures will reach the sum of $316,428,078, leaving in the Treasury a surplus of $158,633,308. For the fiscal year ending June 30, 1868, it is estimated that the receipts will amount to $436,000,000, and that the expenditures will be $350,247,641—showing an excess of $85,752,359 in favor of the Government. These estimated receipts may be diminished by a reduction of excise and import duties; but after all necessary reductions shall have been made, the revenue of the present and of following years will doubtless be sufficient to cover all legitimate charges upon the Treasury, and leave a large annual surplus to be applied to the payment of the principal of the debt. There seems now to be no good reason why taxes may not be reduced as the country advances in population and wealth, and yet the debt be extinguished within the next quarter of a century.

OUR ARMY.

The report of the Secretary of War furnishes valuable and important information in reference to the operations of his Department during the past year. Few volunteers now remain in the service, and they are being discharged as rapidly as they can be replaced by regular troops. The army has been promptly paid, carefully provided with medical treatment, well sheltered and subsisted, and is to be furnished with breech-loading small arms. The military strength of the nation has been unimpaired by the discharge of volunteers, the disposition of unserviceable or perishable stores, and the retrenchment of expenditure. Sufficient war material to meet any emergency has been retained, and, from the disbanded volunteers standing ready to respond to the national call, large armies can be rapidly organized, equipped and concentrated. Fortifications on the coast and frontier have received, or are being prepared for more powerful armaments; lake surveys and harbor and river improvements are in course of energetic prosecution. Preparations have been made for the payment of the additional bounties authorized during the recent session of Congress, under such regulations as will protect the Government from fraud, and secure to the honorably-discharged soldier the well-earned reward of his faithfulness and gallantry. More than 6,000 maimed soldiers have received artificial limbs or other surgical apparatus; and 41 national cemeteries, containing the remains of 104,526 Union soldiers, have already been established. The total estimate of military appropriations is $25,205,669.

OUR NAVY.

It is stated in the report of the Secretary of the Navy that the naval force at this time consists of 278 vessels, armed with 2,351 guns. Of these, 115 vessels, carrying 1,029 guns, are in commission, distributed chiefly among seven squadrons. The number of men in the service is 13,600. Great activity and vigilance have been displayed by all the squadrons, and their movements have been judiciously and efficiently arranged in such manner as would best promote American commerce and protect the rights and interests of our countrymen abroad. The vessels unemployed are undergoing repairs or are laid up until their services may be required. Most of the iron-clad fleet is at League Island, in the vicinity of Philadelphia, a place which, until decisive action should be taken by Congress, was selected by the Secretary of the Navy as the most eligible location for that class of vessels. It is important that a suitable public station should be provided for the iron-clad fleet. It is intended that these vessels shall be in proper condition for any emergency, and it is desirable that the bill accepting League Island for naval purposes, which passed the House of Representatives at its last session, should receive final action at an early period, in order that there may be a suitable public station for this class of vessels, as well as a navy-yard of area sufficient for the wants of the service, on the Delaware River. The Naval Pension Fund amounts to $11,750,000, having been increased $2,750,000 during the year. The expenditures of the Department for the fiscal year ending 30th June last were $43,824,526, and the estimates for the coming year amount to $23,568,496. Attention is invited to the condition of our seamen, and the importance of legislative measures for their relief and improvement. The suggestions in behalf of this deserving class of our fellow-citizens are earnestly recommended to the favorable attention of Congress.

THE POST-OFFICE.

The report of the Postmaster-General presents a most satisfactory condition of the postal service, and submits recommendations which deserve the consideration of Congress. The revenues of the Department for the year ending June 30, 1866, were $14,386,986, and the expenditures $15,352,079, showing an excess of the latter of $965,093. In anticipation of this deficiency, however, a special appropriation was made by Congress in the act approved July 28, 1866. Including the standing appropriation of $700,000 for free mail matter, as a legitimate portion of the revenues yet remaining unexpended, the actual deficiency for the past year is only $265,093—a sum within $51,141 of the amount estimated in the annual report of 1864. The decrease of revenue compared with the previous year was one and one-fifth per cent., and the increase of expenditures, owing principally to the enlargement of the mail service in the South, was twelve per cent. On the 30th of June last there were in operation six thousand nine hundred and thirty mail routes, with an aggregate length of one hundred and eighty thousand nine hundred and twenty-one miles, an annual aggregate transportation of seventy-one million eight hundred and thirty-seven thousand nine hundred and fourteen miles, and an aggregate annual cost, including all expenditures, of $8,410,184. The length of the railroad routes is thirty-two thousand and ninety-two miles, and the annual transportation thirty million six hundred and nine thousand four hundred and sixty-seven miles. The length of steamboat routes is fourteen thousand three hundred and forty-six miles, and the annual transportation three million four hundred and eleven thousand nine hundred and sixty-two miles. The mail service is rapidly increasing throughout the whole country, and its steady extension in the Southern States indicates their constantly improving condition. The growing importance of the foreign service also merits attention. The Post-office Department of Great Britain and our own have agreed upon a preliminary basis for a new Postal Convention, which it is believed will prove eminently beneficial to the commercial interests of the United States, inasmuch as it contemplates a reduction of the international letter postage to one-half the existing rates; a reduction of postage with all other countries to and from which correspondence is transmitted in the British mail, or in closed mails through the United Kingdom; the establishment of uniform and reasonable charges for the sea and territorial transit of correspondence in closed mails; and an allowance to each Post-office Department of the right to use all mail communications established under the authority of the other for the dispatch of correspondence, either in open or closed mails, on the same terms as those applicable to the inhabitants of the country providing the means of transmission.

PUBLIC LANDS—INDIAN AFFAIRS.

The report of the Secretary of the Interior exhibits the condition of those branches of the public service which are committed to his supervision. During the last fiscal year, four million six hundred and twenty-nine thousand three hundred and twelve acres of public land were disposed of, one million eight hundred and ninety-two thousand five hundred and sixteen acres of which were entered under the Homestead Act. The policy originally adopted relative to the public lands has undergone essential modifications. Immediate revenue, and not their rapid settlement, was the cardinal feature of our land system. Long experience and earnest discussion have resulted in the conviction that the early development of our agricultural resources, and the diffusion of an energetic population over our vast territory, are objects of far greater importance to the national growth and prosperity than the proceeds of the sale of the land to the highest bidder in open market. The preemption laws confer upon the pioneer who complies with the terms they impose the privilege of purchasing a limited portion of "unoffered lands" at the minimum price. The homestead enactments relieve the settler from the payment of purchase money, and secure him a permanent home, upon the condition of residence for a term of years. This liberal policy invites emigration from the old, and from the more crowded portions of the New World. Its propitious results are undoubted, and will be more signally manifested when time shall have given to it a wider development.

RAILROAD GRANTS.

Congress has made liberal grants of public land to corporations, in aid of the construction of railroads and other internal improvements. Should this policy hereafter prevail, more stringent provisions will be required to secure a faithful application of the fund. The title to the lands should not pass, by patent or otherwise, but remain in the Government and subject to its control until some portion of the road has been actually built. Portions of them might then, from time to time, be conveyed to the corporation, but never in a greater ratio to the whole quantity embraced by the grant than the completed parts bear to the entire length of the projected improvement. This restriction would not operate to the prejudice of any undertaking conceived in good faith and executed with reasonable energy, as it is the settled practice to withdraw from market the lands falling within the operation of such grants, and thus to exclude the inception of a subsequent adverse right. A breach of the conditions which Congress may deem proper to impose should work a forfeiture of claim to the lands so withdrawn but unconveyed, and of title to the lands conveyed which remain unsold.

Operations on the several lines of the Pacific Railroad have been prosecuted with unexampled vigor and success. Should no unforeseen causes of delay occur, it is confidently anticipated that this great thoroughfare will be completed before the expiration of the period designated by Congress.

PENSIONS.

During the last fiscal year the amount paid to pensioners, including the expenses of disbursement, was thirteen million four hundred and fifty-nine thousand nine hundred and ninety-six dollars; and fifty thousand one hundred and seventy-seven names were added to the pension rolls. The entire number of pensioners, June 30, 1866, was one hundred and twenty-six thousand seven hundred and twenty-two. This fact furnishes melancholy and striking proof of the sacrifices made to vindicate the constitutional authority of the Federal Government, and to maintain inviolate the integrity of the Union. They impose upon us corresponding obligations. It is estimated that thirty-three million dollars will be required to meet the exigencies of this branch of the service during the next fiscal year.

INDIAN TREATIES.

Treaties have been concluded with the Indians who, enticed into armed opposition to our Government at the outbreak of the rebellion, have unconditionally submitted to our authority, and manifested an earnest desire for a renewal of friendly relations.

PATENTS.

During the year ending Sept. 30, 1866, eight thousand seven hundred and sixteen patents for useful inventions and designs were issued, and at that date the balance in the Treasury to the credit of the Patent Fund was two hundred and twenty-eight thousand two hundred and ninety-seven dollars.

NAVIGATION OF THE MISSISSIPPI.

As a subject upon which depends an immense amount of the production and commerce of the country, I recommend to Congress such legislation as may be necessary for the preservation of the levees of the Mississippi River. It is a matter of national importance that early steps should be taken not only to add to the efficiency of these barriers against destructive inundations, but for the removal of all obstructions to the free and safe navigation of that great channel of trade and commerce.

DISTRICT OF COLUMBIA.

The District of Columbia, under existing laws, is not entitled to that representation in the National Councils which, from our earliest history, has been uniformly accorded to each Territory established from time to time within our limits. It maintains peculiar relations to Congress, to whom the Constitution has granted the power of exercising exclusive legislation over the seat of Government. Our fellow-citizens residing in the District, whose interests are thus confided to the special guardianship of Congress, exceed in number the population of several of our Territories, and no just reason is perceived why a delegate of their choice should not be admitted to a seat in the House of Representatives. No mode seems so appropriate and effectual of enabling them to make known their peculiar condition and wants, and of securing the local legislation adapted to them. I therefore recommend the passage of a law authorizing the electors of the District of Columbia to choose a delegate, to be allowed the same rights and privileges as a delegate representing a Territory. The increasing enterprise and rapid progress of improvement in the District are highly gratifying, and I trust that the efforts of the municipal authorities to promote the prosperity of the national metropolis will receive the efficient and generous cooperation of Congress.

AGRICULTURE.

The report of the Commissioner of Agriculture reviews the operations of his Department during the past year, and asks the aid of Congress in its efforts to encourage those States which, scourged by war, are now earnestly engaged in the reorganization of domestic industry.

OUR FOREIGN AFFAIRS.

It is a subject of congratulation that no foreign combinations against our domestic peace and safety, or our legitimate influence among the nations, have been formed or attempted. While sentiments of reconciliation, loyalty and patriotism have increased at home, a more just consideration of our national character and rights has been manifested by foreign nations.

THE ATLANTIC TELEGRAPH.

The entire success of the Atlantic Telegraph between the coast of Ireland and the Province of Newfoundland, is an achievement which has been justly celebrated in both hemispheres as the opening of an era in the progress of civilization. There is reason to expect that equal success will attend, and even greater results follow, the enterprise for connecting the two Continents through the Pacific Ocean by the projected line of telegraph between Kamschatka and the Russian possessions in America.

NO CRIMINAL FUGITIVES.

The resolution of Congress protesting against pardons by foreign Governments of persons convicted of infamous offences, on condition of emigration to our country, has been communicated to the States with which we maintain intercourse, and the practice, so justly the subject of complaint on our part, has not been renewed.

RUSSIA.

The congratulations of Congress to the Emperor of Russia, upon his escape from attempted assassination, have been presented to that humane and enlightened ruler, and received by him with expressions of grateful appreciation.

EMIGRATION OF FREEDMEN.

The Executive, warned of an attempt by Spanish-American adventurers to induce the emigration of freedmen of the United States to a foreign country, protested against the project as one which, if consummated, would reduce them to a bondage even more oppressive than that from which they have just been relieved. Assurance has been received from the Government of the State in which the plan was matured, that the proceeding will meet neither its encouragement nor approval. It is a question worthy of your consideration, whether our laws upon this subject are adequate to the prevention or punishment of the crime thus meditated.

FRANCE IN MEXICO—DELAY IN THE DEPARTURE OF THE FRENCH TROOPS.

In the month of April last, as Congress is aware, a friendly arrangement was made between the Emperor of France and the President of the United States for the withdrawal from Mexico of the French expeditionary forces. This withdrawal was to be effected in three detachments, the first of which, it was understood, would leave Mexico in November, now past, the second in March next, and the third and last in November, 1867. Immediately upon the completion of the evacuation, the French Government was to assume the same attitude of non-intervention in regard to Mexico as is held by the Government of the United States. Repeated assurances have been given by the Emperor, since that agreement, that he would complete the promised evacuation within the period mentioned, or sooner.

It was reasonably expected that the proceedings thus contemplated would produce a crisis of great political interest in the Republic of Mexico. The newly-appointed Minister of the United States, Mr. CAMPBELL, was therefore sent forward, on the 9th day of November last, to resume his proper functions as Minister Plenipotentiary of the United States to that Republic. It was also thought expedient that he should be attended in the vicinity of Mexico by the Lieutenant-General of the Army of the United States, with the view of obtaining such information as might be important to determine the course to be pursued by the United States in reestablishing and maintaining necessary and proper intercourse with the Republic of Mexico. Deeply interested in the cause of liberty and humanity, it seemed an obvious duty on our part to exercise whatever influence we possessed for the restoration and permanent establishment in that country of a domestic and republican form of Government.

Such was the condition of affairs in regard to Mexico, when, on the 22d of November last, official information was received from Paris that the Emperor of France had some time before decided not to withdraw a detachment of his forces in the month of November past, according to engagement, but that this decision was made with the purpose of withdrawing the whole of those forces in the ensuing Spring. Of this determination, however, the United States had not received any notice or information; and so soon as the information was received by the Government, care was taken to make known its dissent to the Emperor of France.

I cannot forego the hope that France will reconsider the subject, and adopt some resolution in regard to the evacuation of Mexico which will conform as nearly as practicable with the existing engagement, and thus meet the just expectations of the United States. The papers relating to the subject will be laid before you. It is believed that, with the evacuation of Mexico by the expeditionary forces, no subject for serious differences between France and the United States would remain. The expressions of the Emperor and people of France warrant a hope that the traditionary friendship between the two countries might in that case be renewed and permanently restored.

A claim of a citizen of the United States for indemnity for spoliations committed on the high seas by the French authorities, in the exercise of a belligerent power against Mexico, has been met by the Government of France with a proposition to defer settlement until a mutual convention for adjustment of all claims of citizens and subjects of both countries, arising out of the recent wars on this continent, shall be agreed upon by the two countries. The suggestion is not deemed unreasonable, but it belongs to Congress to direct the manner in which claims for indemnity by foreigners, as well as by citizens of the United States, arising out of the late civil war, shall be adjudicated and determined. I have no doubt that the subject of all such claims will engage your attention at a convenient and proper time.

OUR DEMANDS ON GREAT BRITAIN.

It is a matter of regret that no considerable advance has been made toward an adjustment of the differences between the United States and Great Britain, arising out of the depredations upon our national commerce and other trespasses committed during our civil war by British subjects, in violation of international law and treaty obligations. The delay, however, may be believed to have resulted in no small degree from the domestic situation of Great Britain. An entire change of ministry occurred in that country during the last session of Parliament. The attention of the new ministry was called to the subject at an early day, and there is some reason to expect that it will now be considered in a becoming and friendly spirit. The importance of an early disposition of the question cannot be exaggerated. Whatever might be the disposition of the two Governments, it is manifest that good-will and friendship between the two countries cannot be established until a reciprocity, in the practice of good faith and neutrality, shall be restored between the respective nations.

THE FENIAN INVASION.

On the 6th of June last, in violation of our neutrality laws, a military expedition and enterprise against the British North American Colonies was projected and attempted to be carried on within the territory and jurisdiction of the United States. In obedience to the obligation imposed upon the Executive by the Constitution, to see that the laws are faithfully executed, all citizens were warned, by proclamation, against taking part in or aiding such unlawful proceedings, and the proper civil, military and naval officers were directed to take all necessary measures for the enforcement of the laws. The expedition failed, but it has not been without its painful consequences. Some of our citizens who, it was alleged, were engaged in the expedition, were captured, and have been brought to trial, as for a capital offence, in the Province of Canada. Judgment and sentence of death have been pronounced against some, while others have been acquitted. Fully believing the maxim of government, that severity of civil punishment for misguided persons who have engaged in revolutionary attempts which have disastrously failed, is unsound and unwise, such representations have been made to the British Government, in behalf of the convicted persons, as, being sustained by an enlightened and humane judgment, will, it is hoped, induce in their cases an exercise of clemency, and a judicious amnesty to all who were engaged in the movement. Counsel has been employed by the Government to defend citizens of the United States on trial for capital offences in Canada; and a discontinuance of the prosecutions which were instituted in the Courts of the United States against those who took part in the expedition, has been directed.

I have regarded the expedition as not only political in its nature, but as also in a great measure foreign from the United States in its causes, character and objects. The attempt was understood to be made in sympathy with an insurgent party in Ireland, and, by striking at a British Province on this Continent, was designed to aid in obtaining redress for political grievances which, it was assumed, the people of Ireland had suffered at the hands of the British Government during a period of several centuries. The persons engaged in it were chiefly natives of that country, some of whom had, while others had not, become citizens of the United States under our general laws of naturalization. Complaints of misgovernment in Ireland continually engage the attention of the British nation, and so great an agitation is now prevailing in Ireland that the British Government have deemed it necessary to suspend the writ of *habeas corpus* in that country. These circumstances must necessarily modify the opinion which we might otherwise have entertained in regard to an expedition expressly prohibited by our neutrality laws. So long as those laws remain upon our statute-books, they should be faithfully executed, and if they operate, harshly, unjustly, or oppressively, Congress alone can apply the remedy, by their modification or repeal.

EASTERN EUROPE.

Political and commercial interests of the United States are not unlikely to be affected in some degree by events which are transpiring in the eastern regions of Europe, and the time seems to have come when our Government ought to have a proper diplomatic representation in Greece.

POLITICAL EXPLANATION.

This Government has claimed for all persons not convicted, or accused, or suspected of crime, an absolute political right of self-expatriation, and a choice of new national allegiance. Most of the European States have dissented from this principle, and have claimed a right to hold such of their subjects as have immigrated to and been naturalized in the United States, and afterwards returned on transient visits to their native countries, to the performance of military service in like manner as resident subjects. Complaints arising from the claim in this respect made by foreign States, have heretofore been matters of controversy between the United States and some of the European Powers, and the irritation consequent upon the failure to settle this question increased during the war in which Prussia, Italy, and Austria were recently engaged. While Great Britain has never acknowledged the right of expatriation, she has not practically insisted upon it. France has been equally forbearing; and Prussia has proposed a compromise, which, although evincing increased liberality, has not been accepted by the United States. Peace is now prevailing everywhere in Egrope, and the present seems to be a favorable time for an assertion by Congress of the principle, so long maintained by the Executive Department, that naturalization by one State fully exempts the native-born subject of any other State from the performance of military service under any foreign Government, so long as he does not voluntarily renounce its rights and benefits.

CONCLUSION.

In the performance of a duty imposed upon me by the Constitution I have thus submitted to the representatives of the States and of the people such information of our domestic and foreign affairs as the public interests seem to require. Our Government is now undergoing its most trying ordeal, and my earnest prayer is, that the peril may be successfully and finally passed, without impairing its original strength and symmetry. The interests of the nation are best to be promoted by the revival of fraternal relations, the complete obliteration of our past differences, and the reinauguration of all the pursuits of peace. Directing our efforts to the early accomplishment of these great ends, let us endeavor to preserve harmony between the coordinate departments of the Government, that each, in its proper sphere, may cordially cooperate with the other in securing the maintenance of the Constitution, the preservation of the Union and the perpetuity of our free institutions.

ANDREW JOHNSON.

WASHINGTON, Dec. 3, 1866.

OUR FINANCIAL AFFAIRS.

REPORT OF SECRETARY McCULLOCH

The Financial History of the Year—Gratifying Condition of the Treasury—Reduction of the Public Burdens.

TREASURY DEPARTMENT, WASHINGTON, Dec. 3, 1866.

In conformity with the requirements of law, the Secretary has the honor to make the following report.

In his report under date of the 4th of December, 1865, the Secretary estimated, according to the data furnished him by this Department and by the other Departments, that the expenditures of the Government for the three quarters of the fiscal year ending June 30, 1866, would exceed the receipts $112,194,947 20. The result was widely different. The receipts exceeded the estimates $89,905,905 44; the expenditures fell short of the estimates $200,529,235 30. The following statement exhibits the items of increase of receipts and decrease of expenditures in comparison with the estimates:

STATEMENT OF THE ESTIMATED AND ACTUAL RECEIPTS AND EXPENDITURES OF THE UNITED STATES FROM OCT. 1, 1865, TO JUNE 30, 1866.

Receipts.	Estimated.	Actual.	Excess of receipts.
Customs	$100,000,000 00	$132,027,468 55	$32,027,968 55
Lands	500,000 00	832,140 40	32,140 40
Int. revenue.	175,000,000 00	272,607,927 77	97,607,927 77
Miscellane's.	30,000,000 00	48,285,125 90	18,285,125 90
Direct tax		1,943,64 92	1,943,642 92
Total	$305,500,000 00	$395,405,905 44	$89,905,305 44
Cash bal'nce Oct. 1, '65	67,158,515 44	67,158,515 44	
	$372,658,515 44	$462,564,420 88	

Expenditures.	Estimated.	Actual.	Excess of est'mts.
Civil service.	$32,994,052 38	$30,485,500 55	$2,504,551 83
Pensions & Indians	12,256,790 94	11,061,285 79	1,195,505 15
War Dep't	307,788,750 57	119,080,464 50	188,708,286 07
Navy Dep't	35,000,000 00	26,802,716 31	8,197,283 69
Int.on public debt	96,813,668 75	96,804,280 19	
Deduct deficiency in estimate for int. on public debt			$200,809,636 74
			90,391 44
	$484,853,462 64	$284,324,227 34	200,529,235 30

Recapitulation.	
Actual receipts, including cash balance	$462,564,420 88
Estimated receipts, including cash balance	372,658,515 44
Excess of receipts over estimates	$89,905,305 44
Estimated expenditures	484,853,462 64
Actual expenditures	284,324,227 34
Actual expenditures less than estimated	$200,529,235 30
	$290,435,140 74

The following is a statement of receipts and expenditures for the fiscal year ending June 30, 1866:

Balance in Treasury agreeable to warrants, July 1, 1865	$858,309 15	
To which add balance of sundry trust funds not included in the above balance	2,217,732 94	
Making balance, July 1, 1865 including trust fund		$3,076,042 09
Receipts from loans		712,931,583 05
Receipts from customs		179,046,651 56
Receipts from lands		865,081 03
Receipts from direct tax		1,974,754 12
Receipts from internal rev.		309,256,613 43
Receipts from miscellaneous sources		67,119,369 91—558,032,620 06
Total		$1,273,960,215 20

Expenditures.	
Redemption of pub. debt	$520,321,726 61
For civil serv.	$41,056,961 54
For pensions and Indians	18,852,416 91
War Dept.	264,447,761 82
Navy Dept.	43,324,118 32
Interest on public debt	133,067,741 69—520,750,940 48—$1,141,072,666 09
Leaving a balance in the Treasury on the last day of July, 1866	$132,887,549 11

The following is a statement of the receipt and expenditures for the quarter ending Sept. 30, 1866:

Balance in Treasury agreeable to warrants, July 1, 1866		$132,887,549 11
Receipts from loans		174,011,626 24
Receipts from customs	$50,943,774 24	
Receipts from lands	228,399 72	
Receipts from direct tax	240,454 39	
Receipts from internal rev.	99,186,905 96	
Receipts from miscellaneous sources	7,981,764 24—158,581,296 81	
Total		$465,480,467 92

Expenditures.

For the redemption of the public debt	$243,782,833

nder the burdens which have been imposed upon them. But, after the proper and necessary reductions have been made, the revenues will doubtless be sufficient, if the Government shall be economically administered, to pay the current expenses, the interest on the public debt, and reduce the principal at the rate of from four to five millions per month. In order that this may be done, however, there must be no additional donations to railroads, no payments out in the fulfillment of contracts, and no unnecessary expenditure of money for any purpose whatever. With proper economy in all the Departments of the Government, the debt can be paid by the generation that created it, if wise and equal revenue laws shall be enacted and continued by Congress, and these laws are faithfully enforced by the officers charged with their execution. That it is the will of the people that it should be paid, and not perpetuated, is clearly indicated by the favor with which its rapid reduction during the past year has been regarded. The idea that a national debt can be anything else than a burden—in which there are some compensations, but still a burden, a mortgage upon the property and industry of the people—is fortunately not an American idea. In countries in which the public expenditures are so large or the resources are so small that no reduction of their public debts is practicable, and where national securities become mon pelized capital in the hands of moneyed aristocracies, who not only absorb the means, but give direction to the sentiment of the people, public debts may be regarded as public blessings; but no such fallacy will ever be countenanced by the free and intelligent people of the United States.

Nothing in our history has created so much surprise, both at home and abroad, as the reduction of our national debt. The wonder existed by the rapidity with which it was created is equally exceeded by the admiration of the resolution of the tax-payers themselves that it shall be speedily extinguished. The conviction is becoming fastened upon the popular mind that it is important—for economy in the national expenses, for the maintenance of a true democracy in the administration of the Government, for the cause of good morals and of public virtue—that the policy of a steady annual reduction of the debt should be definitely and inexorably established. Nothing short of this, and that economy in the national expenditures which will render it practicable, will reconcile the people to the burdens of taxation. A national debt must ever be a severe strain upon republican institutions, and ours should not be subject to it one day longer than is necessary. To the perpetuation of the existing debt the United States there are also, it may be proper to remark, serious objections growing out of the circumstances under which it was created. Although incurred in a great struggle for the preservation of the Government, and therefore especially sacred in its character, its burdens are to be shared by those to whom it is a reminder of humiliation and defeat. It is exceedingly desirable that this, with other causes of heartburning and alienation, should be removed as rapidly as possible, and that all should disappear with the present generation, so that there may be nothing in the future to prevent that unity and good feeling between the sections which are necessary for true national prosperity.

SPECIE PAYMENTS.

The Secretary regrets, notwithstanding the large reduction of the national debt, and the satisfactory condition, in other respects, of the National Treasury, that little progress has been made since his last report toward specie payments. The views presented by him in that report, although indorsed in the House of Representatives by a nearly unanimous vote, were not sustained by corresponding legislation. Instead of being authorized to reduce the paper circulation of the country, according to his recommendations, the amount of United States notes which he was permitted to retire was limited to $10,000,000 for the six months ending Oct. 12, and to $4,000,000 per month thereafter. In the meantime the reduction of these notes and of the notes of the State Banks has been nearly balanced by the increase of the circulation of the National Banks; and specie commands about the same premium it did when the last Treasury report was prepared. Having been thus prevented from taking the first important step toward a return to specie payments, the Secretary has mainly directed his attention to measures looking to an increase of efficiency in the collection of the revenues, to the conversion of interest-bearing notes into five-twenty bonds, and to a reduction of the public debt. What has been accomplished in these respects, and is not already understood by the country, is explained elsewhere in this report. The Secretary has also deemed it to be his duty to use such means within his control as were in his judgment best calculated to keep the business of the country as steady as possible, while conducted on the uncertain basis of an irredeemable currency. To accomplish this, he has thought it necessary to hold a handsome reserve in coin in the Treasury. For doing so, he has been criticised by many very intelligent persons, some of whom have condemned the policy as involving a heavy loss to the country, in the way of interest; others have objected to it as a failure on his part to avail himself of means within his control for reducing the price of coin, and thus approximating specie payments; on the contrary, not a few have pronounced it a step in favor of gold by the Government unwise, on the theory that if the coin received from customs, and not required for the payment of interest, should be permitted to accumulate until it should reach about the same proportion to the outstanding United States notes that, in former days, the coin in the vaults of well-managed banking institutions sustained their immediate liabilities, specie payments might be resumed, without a reduction of the currency, and without regard to the condition of trade between the United States and other nations.

GOLD OPERATIONS.

Under these circumstances, feeling sensible of the great responsibility of his position, the Secretary has deemed it safer and better for the country to act according to the dictates of his own judgment, carefully regarding the condition of the markets and of the Treasury, rather than to take his direction from those who, however intelligent and able, were under no official obligations to the Government, and might be less accurately advised in regard to the actual state of its financial affairs. He has regarded a steady market of more importance to the people than the saving of a few millions of dollars in the way of interest; and observation and experience have assured him that, in order to secure this steadiness in any considerable degree, while business is conducted on a paper basis, there must be a power in the Treasury to prevent successful combinations to bring about fluctuations for purely speculative purposes. He has also been clear in his convictions that specie payments are not to be restored by an accumulation of coin in the Treasury, to be paid out at a future day in the redemption of Government obligations; but rather by quickened industry, increased production, and lower prices, which can alone make the United States what they ought to be—a creditor and not a debtor nation. These views explain the course that has been pursued with the gold which, during his administration of the Department, has come into the Treasury. He has permitted it to accumulate when the use or the sale of it was not necessary for paying Government obligations, or to prevent commercial panics, or unnecessil combinations against the national credit; and he has sold whenever sales were necessary to supply the Treasury with currency, to warn off financial crises, or to save the paper circulation of the country, as far as practicable, from unnecessary and damaging depreciation. For making sales he alone is responsible. If, in conducting them, any favoritism has been shown, or if the interests of any particular class have been especially regarded, it has been without his knowledge, and in violation of his instructions. He has not the slightest reason to suppose, however, that they have not been conducted honestly, fairly and judiciously.

IMPORTANCE OF COMING TO A SPECIE STANDARD.

It may be hardly necessary for the Secretary to remark that his opinions have undergone no change in regard to the importance of a restoration of the specie standard, or the means necessary to effect it. He trusts, however, that he has not been understood as entertaining the opinion that a reduction of the currency would of itself necessarily bring about specie payments, although the chief and essential means to effect the desired result. He regards a redundant legal tender currency as the prime cause of our financial difficulties, and a curtailment thereof indispensable to an increase of labor and a reduction of prices, to an augmentation of exports and a diminution of imports, which alone will place the trade between the United States and other nations on an equal and satisfactory footing.

In order that his views of this point may not be misapprehended, the Secretary trusts that he will be pardoned for referring (even at a risk of a repetition of what he has heretofore presented in other communications to Congress and in other ways to the country) to certain principles, which, if not often disregarded, which regulate international trade and control the movements of coin. We have traveled so far from the specie standard, and are so blinded in regard to our actual financial condition and our relations with other countries, by an inflated and irredeemable currency, and by the exportation of our securities, that frequent recurrence to inexorable commercial and financial laws is necessary.

Ever since trade commenced between the people of different nations, gold and silver have been the only reliable and recognized measure of value and medium of exchanges. While in their internal trade other representatives of value have, to a greater or less extent, been used by all nations, money made of these metals has been pronounced by the judgment of the world the only currency possessing the attributes necessary for a uniform and universal circulating medium. From this judgment there is no appeal. Not only is it the true and universally acknowledged measure of value and medium of exchanges, but by its regulating flow, it indicates the condition and results of trade between different nations. Water does not more naturally seek a level, than does specie flow from one nation to another for the payment of balances created by an unequal exchange of commodities. Trade between nations is generally and chiefly conducted by an exchange of their productions; but as these exchanges are never exactly equal, there are constantly occurring balances to be paid in something else; and, in the form of coin, nothing but the precious metals is a legal tender. It is this necessity for paying balances in coin which regulates the trade of nations. It is this great commercial and financial law which makes the nation that sells more than it buys the creditor nation, and the nation that buys more than it sells the debtor nation, and recognizes no medium but coin in the payment of balances, that determines the question of the ability of the United States to resume and maintain specie payments. If the balance is in our favor, or if not in our favor, if the balance against us is so small that it can be paid without an exhausting drain upon our precious metals, specie payments can at once be resumed. Such, unfortunately, is not the fact. Notwithstanding our heavy exports during the past year (that of cotton having been 650,672,820 pounds, or nearly 1,600,000 bales, a quantity greater than our entire crop of the present year,) the United States are largely a debtor to Europe.

A few facts will put us right on this point. Between the year 1848, when gold was first discovered in California; and the 1st of July, 1866, the product of the gold and silver mines of the United States, was about $1,100,000,000, nearly all of which has gone into the world's general stock; and it is not probable that the amount of gold and silver now in the United States is very much larger than it was eighteen years ago.

IMPORTS—UNDER-VALUATION.

During the fiscal year ending June 30, 1866, the United States imported:

Foreign merchandise free of duty	$58,831,759
Foreign merchandise paying duty	358,859,451
Total	$417,691,210

Of foreign merchandise there was re-exported:

Free of duty	$1,907,117
Dutiable	9,434,163
Total (mixed gold and currency value)	$11,341,420
Which, reduced to currency value, was equal to	$10,263,228
Total net imports foreign merchandise, valued in gold	417,046,577
Imports, specie	$10,329,156
Of which there was re-exported	3,906,697
Net imports, specie	6,928,459
Total net imports, foreign merchandise and specie	$423,975,036
During the fiscal year ending June 30, 1866, the United States exported domestic merchandise, currency value, $468,640,909, reduced to gold value	$333,322,085
Specie exported	82,643,374
Total domestic exports, valued in gold	415,965,459
Apparent balance of trade, valued in gold	$5,009,577

But these figures, taken from the reports of the Custom-houses, do not present the whole truth. For many years there has been a systematic under-valuation of foreign merchandise imported into the United States, and large amounts have been smuggled into the country along our extended sea-coasts and frontiers. To make up for under-valuation and smuggling, and for cost of transportation paid to foreign shipowners, twenty per cent at least should be added to the imports, which would make the balance for the past year against the United States nearly $100,000,000. It is evident that the balances have been largely against the United States for some years past, whatever may have been the custom-house figures. On no other ground can the fact be accounted for, that a very large amount of American bonds is now held in Europe, which are estimated as follows, to wit:

United States bonds	$350,000,000
State and municipal bonds	150,000,000
Railroad and other stocks and bonds	100,000,000
Total	$600,000,000

FOREIGN BALANCES.

It is evident, from these figures, that the balances are against us, and, chiefly by the exportation of our Government bonds, are being temporarily and improvidently arranged; temporarily, because a large portion of these bonds have been bought on speculation, and will be likely to be returned whenever financial troubles in the countries in which they are held shall make it necessary for the holders to realize upon them, or whenever satisfactory profits can be made by returning them, which will be when they nearly approach their par value in coin; improvidently, because they are being purchased at very low prices, and because their exportation stimulates imports, and thus cripples home industry. Nothing is more certain than the fact that there can be no permanent resumption of specie payments in the United States until the balances between them and other nations shall be made easy by an exportation of commodities, including in the products of the mines, equal at least to our importations, and until provision shall be made for returning bonds, or for preventing their return at unpropitious times. This state of things, it is conceived, cannot be effected without a change in our financial policy.

DEPRECIATED CURRENCY.

There being but one universally recognized measure of value, and that being a value in itself, costing what it represents in the labor which is required to obtain it, the nation that adopts, either from choice or temporary necessity, an inferior standard, violates the financial law of the world and inevitably suffers for its violation. An irredeemable, and consequently depreciated currency, drives out of circulation the currency superior to itself; and if made by law a legal tender, while its real value is not thereby enhanced, it becomes a false and demoralizing standard, under the influences of which prices advance in a ratio disproportioned even to its actual depreciation. Very different from this is that gradual, healthy, and general advance of prices which is the effect of the increase of the precious metals. The coin which is obtained in the gold and silver-producing districts, although it first affects prices within such districts, following the course of trade, and in obedience to its laws, soon finds its way to other countries, and becomes a part of the common stock of the nations, which, increasing in amount by the regular product of the mines, and in activity by the growing demands of commerce, advances the price of labor and commodities throughout the commercial world. Thus, the products of the American, Austrian and Russian mines tend first to advance prices in their respective localities, but the operation of trade soon distributes these products, and enterprise everywhere feels and responds to the increase of the universal measure of value. All this is healthful, because slow, permanent and universal. The coin produced in any country will be retained there no longer than its productions and sales keep the balance of trade in its favor. As soon as it becomes cheaper (if this word can be properly used in regard to the standard of value) in the country in which it is produced than in any other accessible countries, or rather than it will purchase more in other countries (adding interest, the cost of transportation, risks and other necessary expenses) than in that in which it is produced, or when it is required to pay balances to other countries, it flows to them by a law as regular and as certain as gravitation. Hence, although the precious metals are produced in considerable quantities in but a few countries, they affect the prices of all. Not so with a paper currency, which is local in its use and in its influence. Its advantages, when convertible, are admitted; for, if convertible, although it swells the volume of currency, it rather increases enterprise than prices. Its convertibility prevents expansion, while its larger volume gives impetus to trade and creates greater demand for labor. But when a paper currency is an inconvertible currency, and especially when, being so, it is made by the sovereign power a legal tender, it becomes prolific of mischief. Then specie becomes demonetised, and trade is uncertain in its results, because the basis is fluctuating; then prices advance as the volume of currency increases, and require as they advance further additions to the circulating medium; then speculation becomes rife, and "the few are enriched at the expense of the many;" then industry declines, and extravagance increases; then, with a diminution of products, and consequently of exports, there is an increase of imports, and higher tariffs are required on account of the general expansion, to which they, in their turn, give new stimulus and support, while the protection intended to be given by them to home industry is in a great measure rendered inoperative by the expansion. Then, notwithstanding our large revenues and the prosperity of many branches of industry, is substantially the condition of the United States, and the important question arises, what are the remedies?

REMEDIES PROPOSED.

With entire deference to Congress, the Secretary suggests that they are to be found:

First—In compelling the National Banks to redeem their notes at their Atlantic cities, or what would be better, at a single city.

Second—In a curtailment of the currency to the amount required by legitimate and healthful trade.

Third—In a careful revision of the tariff, for the purpose of harmonizing it with our internal taxes; removing the impressive burdens now imposed upon certain branches of industry, and relieving altogether, or greatly relieving, raw materials from taxes, in order that the product of labor may be enhanced, and production and exportation increased.

Fourth—In the issue of bonds payable in not over twenty years, and bearing interest at the rate of not over five cent., payable in England or Germany, to an amount sufficient to absorb the six per cent. bonds now held in Europe, and to meet the demand there for actual and permanent investment; and

Fifth—In the rehabilitation of the Southern States.

First. The utility of compelling National Banks to redeem their notes at commercial centres, as well as at their own counters, is apparent. It was the object of Congress, in the establishment of the National Banking System, was to furnish the people with a solvent currency of uniform value throughout the United States. The solvency of the notes of the National Banks is secured by a deposit of bonds with the Treasurer at Washington; but, as the Banks are scattered throughout the country, and many of them are in places of difficult access, a redemption of their notes at their respective counters is not all that is required to make them throughout the United States a par circulation. It is true that the notes of all National Banks are receivable for all public dues, except duties upon imports, and must be paid by the Treasurer in case the Banks which issued are unable to redeem them, but it will not be claimed that the notes of the Banks, although perfectly solvent, but situated in interior towns, are practically as valuable as the notes of Banks in seaboard cities.

It may be urged that, to compel remote banks thus to redeem, would be a hardship; but as very few well-managed banking institutions in the United States fail to keep accounts and balances in some of the Atlantic cities, this hardship would be found, upon trial, to be imaginary rather than real. But if it should be a hardship, it would be a necessary one, and the interest of the banks must bend to the interests of the people. Besides, without such redemption there will be practically none at all, at least until specie payments are resumed; and when there are no redemptions, there is always a constant tendency to inflation and illegitimate banking. The frequent and regular return of their notes is needed to keep the business of the banks in a healthy condition, and thus invariably proves no less advantageous to the stockholders than to the public. Unless the banks shall be compelled to redeem in United States notes, many of them will neither lend their influence in favor of a return to specie payments, nor be prepared for them when without their agency specie payments shall be brought about. If the debased condition of the currency were left to the Secretary, all the banks would be required to redeem in New-York, the acknowledged commercial metropolis of the Union. The designation of that City as the redeeming point for all National Banks would not only give absolute uniformity to their circulation, but would so facilitate the assorting and returning of notes that practical and general redemption would be enforced. It is certain that this will not be done under the existing provisions of the law; it is not certain that it will be, unless all Banks shall be compelled to redeem at a single point. This might be objected to by the Banks in other Atlantic cities on the ground that it would aggrandize New-York at their expense. But New-York is already the financial and commercial emporium of the Union. Most of the interior Banks keep their chief balances in that City, because they are more available and valuable there than elsewhere, and in compelling all the Banks to redeem at the metropolis of trade, Congress would be only yielding to an unwritten but controlling law to which statutes should conform. The course of trade compels, and will compel, those National Banks, whose business is based upon the prosperity of the country, (and these must always constitute a majority,) to keep their chief balances in New-York, whether they redeem there or not. If exchanges between that City and other cities should be in favor of the latter, the redemption by *their* Banks would be made at their own counters, and no sacrifice but that of local pride would be involved in their being required by law to redeem at the common centre. When New-York shall be a debtor City to Boston and Philadelphia, the notes of the Boston and Philadelphia Banks will go home, and not to New-York, for payment. What is required is an active regulator and actual redemption of the notes of all the National Banks. To effect this, local pride should be sacrificed, and minor interests should be disregarded. What is said upon this subject by the Acting Comptroller of the Currency is fully indorsed.

The second remedy suggested is a curtailment of the currency.

The views of the Secretary upon the question of a reduction of the currency have been so frequently expressed that it is only necessary now to consider whether the curtailment should be of the United States notes or of notes of the National Banks. On this subject his opinions have undergone no change since he communicated them in his reports as Comptroller of the Currency. Banks of issue, organized under State laws, have been in existence ever since the formation of the Government. By the decisions of the highest tribunals of the country their constitutionality has been affirmed, and they have become so interwoven with the business of the country, and such large investments have been made in them, that their destruction would involve consequences of a very serious character. Whether or not the country would have been more prosperous without them—whether the stimulus they have given to enterprise and the facilities they have extended to trade have or have not been counterbalanced by the artificial prices which they have created, and the actual losses which the people have sustained by the crises they have occasioned, and by their suspensions and failures, it is too late to consider. When the National Currency Act was passed by Congress State Banks were in full operation, and not less than four hundred millions of dollars were invested in them as capital. In some States, by judicious legislation and careful management, they had afforded a local circulation satisfactory and safe. In other States, where no reliable security, or insufficient security, had been required for the protection of the public, and their management had been confided to incompetent or dishonest hands, there had been numerous failures, and heavy losses had been sustained by the holders of their notes.

Soon after the commencement of the rebellion, it became apparent that a heavy national debt was to be created, the interest and principle of which could only be paid by a general system of internal taxes, involving a necessity for a circulating medium equal in value throughout the country and safe for the Government to receive in payment of dues. This subject, of course, demanded and received the earnest consideration of the distinguished gentleman at that time the financial Minister of the Government, who caused to be prepared and submitted to Congress a bill "to provide a national currency secured by a pledge of United States bonds, and to provide for the circulation and redemption thereof," which, after having been carefully considered and thoroughly discussed, became a law on the 25th of February, 1863. Prior to the passage of this act large issues of Government notes had been put into circulation. But there is nothing in the acts authorizing their issue, or in the communications of the Secretary, or in the discussions in Congress, to justify the opinion that they were intended to be a permanent circulation. On the contrary, the provisions in the law for the conversion of the notes into bonds, and the advocates of their issue, afford ample evidence that they were regarded as merely temporary, and justifiable only by an emergency which it was supposed nothing else could so adequately meet. Had it been proposed that these notes should be a permanent circulation and take the place of bank notes, there is good reason to suppose that the proposition would have had few, if any, advocates. Nor did the National Banking System prepared by its authors nor adopted by Congress to destroy the State banks, nor to divert capital from banking, but rather to compel all banking institutions issuing notes as money to secure them, beyond any conceivable contingency, by deposits with the Treasurer of the United States; thus, without the agency of a National Bank, providing a national currency which would save the Government and people from losses, which there was constant danger of from a local and unsecured circulation. The National Banking System was intended, while not invading the rights of the States, nor damaging private interests, to furnish the people with a permanent paper circulation. The United States notes were intended to meet a temporary emergency, and to be retired when the emergency had passed.

The present Secretary was not the advocate of the national banking system, and claims only the credit of having used his best efforts, as Comptroller, to put it into successful operation. But he has no hesitation in pronouncing it a vast improvement upon the systems which it superseded, and one admirably adapted to our peculiar form of government. There are substantial objections to all banks of issue, and if none existed in the United States it might be very questionable if any should be introduced; but having taken the place of the State Banks, and furnishing, as they do, a circulation as free from objection as any that is likely to be provided, the Secretary is of the opinion that the National Banks should be sustained, and that the paper circulation of the country should be reduced, not by compelling them to retire their notes, but by the withdrawal of the United States notes.

The Secretary is not unmindful of the saving of interest which results to the Government by the use of bank currency, nor of the favor with which this currency is regarded by the people; but all considerations of this nature are more than counterbalanced by the discredit which attaches to the Government by failing to pay its notes according to their tenor, by the bad influence of this voluntary discredit upon the public morals, and by the departure which a continued issue of legal tender notes involves, from past usages, if not from the teachings of the Constitution itself. The Government cannot exercise powers not conferred by its organic law or necessary for its own preservation, nor dishonor its own engagements when able to meet them, without either shocking or demoralizing the sentiment of the people; and the fact that the indefinite continuance of the circulation of an inconvertible but still a legal tender currency is so generally advocated, indicates how far we have wandered from old landmarks both in finance and ethics. The views of the Secretary on this point were so fully expressed in his former report that it is not necessary to restate them. It is sufficient to say that his opinions are unchanged, and that reflection and observation during the past year have assured him of their correctness. Anxious as he is to lighten the public burdens and reduce the public debt, he does not hesitate to advise that those notes be withdrawn from circulation, and that the furnishing of what paper currency may be required be left to corporations, under existing laws and such amendments of these laws as experience may dictate for the better protection and safety of the public interest. How rapidly they may be retired must depend upon the effect which contraction may have upon business and industry, and can be better determined as the work progresses. The reduction could probably be increased from 4,000,000 per month, as contemplated by the act of April 12, 1866, to 6,000,000 per month for the present fiscal year, and to ten millions per month thereafter, without preventing a steady conversion of the interest-bearing notes into bonds, or injuriously affecting legitimate business. No determinate scale of reduction would, however, in the present condition of our affairs, be advisable. The *policy* of contracting the circulation of Government notes should be definitely and unchangeably established, and the *process* should be as rapid as possible without producing a financial crisis or seriously embarrassing those branches of industry and trade upon which our revenues are dependent. There is a great adaptability in the business of the United States, and it will easily accommodate itself to any policy which the Government may adopt. That the policy indicated is the true and safe one, the Secretary is thoroughly convinced. If it shall not be speedily adopted and rigidly but judiciously enforced, severe financial troubles are in store for us.

The Secretary cordially approves what is said by the Acting Comptroller of the Currency, in his report, in regard to the importance of furnishing the people of the South with the bank-notes which their business may require, and agrees with him in the opinion which he expresses of the beneficial results, political, financial and social, to be effected by the organization of National Banks in the Southern States, but he cannot recommend an increase of the bank-note circulation of the country beyond the $300,000,000 authorized, since he believes that the necessities of those States may be supplied rather by a reduction of the amount awarded to other States, than by an increase of the volume of currency.

The third remedy suggested is a revision of the tariff for the purpose of harmonizing it with internal taxes, a reduction of taxes upon raw material, &c., &c.

INTERNAL REVENUE.

The 66th section of the act entitled "An act to reduce internal taxation, &c.," approved July 13, 1866, provides: "That the Secretary of the Treasury is hereby authorized to appoint an officer in his Department, who shall be styled 'Special Commissioner of the Revenue,' whose office shall terminate in four years from the 30th day of June, 1866. It shall be the duty of the Special Commissioner of the Revenue to inquire into all the sources of national revenue, and the best method of collecting the revenue; the relation of foreign trade to domestic industry; the mutual adjustment of the systems of taxation by customs and excise, with the view of ensuring the requisite revenue with the least disturbance or inconvenience to the progress of industry and the development of the resources of the country; and to inquire, from time to time, under the direction of the Secretary of the Treasury, into the manner in which officers charged with the administration and collection of the taxes perform their duties. And the said Special Commissioner of the Revenue shall, from time to time, report through the Secretary of the Treasury to Congress, either in the form of a bill or otherwise, such modifications of the rates of taxation, or of the methods of collecting the revenues, and such other facts pertaining to the trade, industry, commerce, or taxation of the country, as he may find, by actual observation of the operation of the law, to be conducive to the public interest."

On the 16th of July last, Mr. DAVID A. WELLS was appointed Special Commissioner of the Revenue, under the authority above recited, and he was instructed to proceed at once to perform the contemplated work, giving his chief attention to the tariff, with the view of ascertaining what modifications are required to adjust it to the system of internal taxes, stimulate industry, and make labor more productive.

The ability displayed by Mr. WELLS in the performance of his duties as one of the Commissioners for the revision of the Internal Revenue Laws, and the heartiness with which he is prosecuting his investigations, give the best assurance that he will perform the work in a manner creditable to himself, and satisfactory to Congress and the people. The Secretary addressed to him on the 14th day of September, 1866, a letter, from which the following is extracted: "In view of the fact that the revision of the tariff is certain to engage the attention of Congress at its next session, I consider it eminently desirable that the Treasury Department should be prepared to furnish as much information pertinent to the subject as can be obtained and collected within the limited time available for the necessary investigations. You are, therefore, hereby requested to give the subject of the revision of the tariff especial attention, and to report a bill which, if approved by Congress, will be a substitute for all acts imposing customs duties, and which will render the administration of this branch of the revenue system more simple, economical and effective.

"In the discharge of this duty, you will consider the necessity of providing for a large, certain and permanent revenue, recollecting the fact that the existing tariff has proved most effective in this direction. You will, therefore, endeavor, first, to secure for the Government a revenue commensurate with its necessities; and secondly, to propose such modification of the tariff laws now in force as will better adjust and equalize the duties upon foreign imports with the internal taxes upon home productions. If this last result can be obtained without detriment to the revenue, by reducing taxation upon raw materials and the machinery of home productions, rather than by decreasing the rates of imports, it would, in my opinion, by decreasing the cost of production and increasing the purchasing power of wages, greatly promote the interests of the whole country."

There is no subject which has in times past provoked so much discussion, and in regard to which opinions have differed so widely, as the tariff. It has been a standing matter of sectional and political strife for nearly half a century, and the sentiment of the people in regard to it is still quite as much divided as when the discussion of it commenced. Always a complex and difficult question, it is particularly so at the present time. Prior to the rebellion it had no relation to internal taxes, for this form of Federal taxation was then unknown to our people. It had little connection with the currency, for, until the year 18 2, although the banks had repeatedly suspended specie payments, specie was the only legally-recognized standard of the value in the United States. Now the question of the tariff is to be considered in connection with a permanent system of internal taxes and a depreciated, but it is hoped a temporary legal-tender, currency. It is obvious that a scale of duties upon imports which might have been sufficient, judicious and beneficial when there were no internal Federal taxes, and business was conducted upon a specie basis, may be insufficient, injudicious and injurious now. A large revenue is at present indispensable for the payment of the ordinary expenses of the Government, the interest upon the public debt, and for a gradual and regular reduction of the principal. Free trade, although in accord with the principles of the Government and the instincts of the people, cannot be adopted as a policy so long as the public debt exists in anything like its present magnitude. The long hoped-for period when there shall be no legal obstructions to a free exchange of commodities between the United States and other countries is still far in the future. Duties upon imports are not only necessary for revenue, but also for the protection of those home interests upon which heavy internal taxes are to be assessed. The question now before the country is therefore one of adaptation, rather than principle. How shall the necessary revenue be raised under a sytem of internal and external taxes without sustaining monopolies, without repressing industry, without discouraging enterprise, without oppressing labor? In other words, how shall the revenue be raised in a manner the least oppressive to the people, without checking the prosperity and growth of the country? The Secretary is not disposed to discuss the question in this report. This will, it is expected, be done elaborately and thoroughly in the report of the Commissioner. He desires, however, to call attention to a few important facts in regard to some branches of business in the United States, the consideration of which may tend to give a proper direction to the public mind upon a question so absorbing and important.

AMERICAN TONNAGE.

No single interest in the United States, fostered although it may be by legislation, can long prosper at the expense of other great interests. Nor can any important interests be crushed by unwise or unequal laws, without other interests being proportionably affected. For illustration: the people of the United States are naturally a commercial and maritime people—fond of adventure, bold, enterprising, persistent. Now, the disagreeable fact must be admitted, that, with unequalled facilities for obtaining the materials, and with acknowledged skill in ship-building—with thousands of miles of sea coast, indented with the finest harbors in the world—with a product and climate that require their exportation a large and increasing tonnage—we can neither profitably build ships nor successfully compete with English ships in the transportation of our own productions. Twenty years ago it was anticipated that ere this the United States would be the first maritime power in the world. Contrary to our anticipations, our foreign commerce has declined nearly fifty per cent, and the last six years, the tonnage of American vessels engaged in the foreign carrying trade which entered United States ports was:

In 1860	5,921,285 tons.
In 1865	2,943,661 tons.
In 1866	3,372,060 tons.

The tonnage of such vessels which were cleared from the United States was:

In 1860	6,165,924 tons.
In 1865	3,035,134 tons.
In 1866	3,383,176 tons.

The tonnage of foreign vessels which entered our ports was:

In 1860	2,353,911 tons.
In 1865	3,216,967 tons.
In 1866	4,410,424 tons.

The tonnage of foreign vessels which were cleared was:

In 1860	2,624,005 tons.
In 1865	3,595,123 tons.
In 1866	4,438,384 tons.

It is true that a large proportion of this diminution of shipping and shipbuilding was the effect of the war. The great destruction of merchant vessels by rebel cruisers not only induced sales to neutrals, but discouraged building. After the war, however, the scarcity of American vessels ought to have produced, and, but for a redundant currency and high taxes, would have produced activity in our shipyards and a rapid increase of tonnage; but this has not been the case. The price of labor and materials are so high that shipbuilding cannot be made profitable in the United States, and many of our shipyards are being practically transferred to the British Provinces. It is only a few years since American ships were sought after, on account of their superiority and cheapness; and large numbers of vessels were built in Maine and other States on foreign account, or sold to foreigners, while, at the same time, our own mercantile marine was being rapidly increased. Now many of our shipyards are abandoned, and in others very little activity prevails. It is true there has recently been some increase in our foreign tonnage, but a good part of this increase is apparent only, and is the result of the new rule of admeasurement. It is an important truth that vessels can be built very much cheaper in the British Provinces than in Maine. Nay, further, that timber for ship-building can be taken from Virginia to the Provinces, and from these Provinces to England, and there made into ships which can be sold at a profit; while the same kind of vessels can only be built in New-England at a loss, by the most skilful and economical builders. But the evil does not stop here; if the only loss was that which the country sustains by the discontinuance of ship-building, it would be less cause of complaint. It is a well-established general fact that the people who build ships navigate them, and that a nation which ceases to build ships ceases, of consequence, to be a commercial and maritime nation. Unless, therefore, the causes which prevent the building of ships in the United States shall cease, the foreign carrying trade, even of our own productions, must be yielded, for other nations. To this humiliation and loss the people of the United States ought not to be subjected. If other branches of industry are to prosper, if agriculture is to be profitable, and manufactures are to be extended, the commerce of the country must be restored, sustained and increased. The United States will not be a first-class Power among the nations of the world, if our industrial interests continue long to prosper as they ought if her commerce shall be permitted to languish.

The same causes—a redundant currency and high taxes—that prevent ship-building, tend to prevent the building of houses and even of manufactories. So high are prices of every description that men hesitate to build dwellings as fast as they are required, and ground rents are so advanced as to be oppressive to lessees, and the healthy growth of towns and cities is retarded. So it is in regard to manufactories. Mills which were built before the war can be run profitably, but so expensive are labor and materials that new mills cannot be erected and put into operation with any prospect of fair returns for the investment, unless upon the expectation that taxes will remain as they are, and prices be sustained, if they are not advanced. The same causes are injuriously affecting agriculture and other interests which it is not necessary to particularize. It is everywhere observed that existing high prices are not only oppressing the masses of the people, but are seriously checking the development, growth and prosperity of the country. It is not denied that the losses which the country has sustained of able-bodied men by the war is one cause of existing high prices; but mainly they are the result of a redundant currency and high taxes.

REGULATION OF TAXES AND DUTIES.

To raise the large revenue which is now required, by systems of internal and external duties, which, working in harmony, shall neither repress industry nor check enterprise, and which shall be so devised as to make taxation bear most heavily upon those who are most benefitted by taxes and by the debt which renders taxation necessary, requires great practical knowledge and wise statesmanship. This subject, always an interesting one to the heavily indebted nations of Europe, has become, as one of the results of the war, deeply interesting to the people of the United States. The Secretary does not, as before stated, intend to discuss it, but he ventures to suggest that the following general principles, some of which have been acted upon by Congress, and the correctness of all of which have been proved by other nations, may be safely adopted as a guide to the legislation that is now required:

1. That the fewest number of articles, consistent with the amount of revenue to be raised, should be subjected to internal taxes, in order that the system may be simple in its execution, and as little offensive and annoying as possible to the tax-payers.

2. That the duties upon imported commodities should correspond and harmonize with the taxes upon home productions; and that these duties should not be so high as to be prohibitory, nor to build up home monopolies, nor to prevent that free exchange of commodities which is the life of commerce. Nor, on the other hand, should they be so low as to seriously impair the revenues, nor to subject the home manufacturers, burdened with heavy internal taxes, to a competition with cheaper labor and larger capital which they may be unable to sustain.

3. That the raw materials used in building and manufacturing, and which are to be largely enhanced in value by the labor which is to be expended upon them, should be exempted from taxation, or that the taxes upon them should be low in comparison with the taxes upon other articles. This is the policy of other enlightened nations, and it is believed that the diminution of direct revenue which it would involve, if adopted by the United States, would be more than made up by the augmented value which it would give to labor, and by the increase of productions and of exports which would be sure to result from it, should be constantly borne in mind that taxes upon raw materials directly increase the cost of production, and thus tend either to reduce the product of labor or to prevent exportations to foreign markets.

4. That the burdens of taxes should fall chiefly upon those whose interests are protected by taxation, and upon those to whom the public debt is a source of wealth and profit, and lightly upon the laboring classes, to whom taxation and the debt are without so many compensatory advantages.

BONDS FOR FOREIGN MARKETS.

The next of the series of proposed remedies is an issue of bonds, bearing interest at the rate of not exceeding five per cent. and payable in Europe, to an amount sufficient to absorb the six per cent. bonds in foreign hands, and supply the European demand for United States securities for permanent investment. No one regrets more than the Secretary the fact that so large an amount of our bonds is held abroad, or the unfortunate condition of our trade that has transferred them thither. The opinion that the country has been benefited by the exportation of its securities, is founded on the supposition that we have received real capital in exchange for them. This supposition is, to a large extent, unfounded. Our bonds have gone abroad to pay for goods, which, without them, might not have been purchased. Not only have we exported the surplus products of our mines and our fields, with no small amount of our manufactures, but a large amount of securities also, to pay for the articles which we have purchased from other countries. That these purchases have been stimulated and increased by the facility of paying for them in bonds, can hardly be doubted. Our importations of goods have been increased by nearly the amount of the bonds which have been exported. Not one dollar in five of the amount of the five-twenties now held in England and upon the continent, has been returned to the United States in the form of real capital. But if this were not a true statement of the case, the fact exists, as has been already stated, that some three hundred and fifty millions of Government bonds—not to mention State and railroad bonds and other securities—are in the hands of the citizens of other countries, which may be returned at any time for sale in the United States, and which, being so held, may seriously embarrass our efforts to return to specie payments. After giving the subject careful consideration, the Secretary has concluded that it is advisable that he should be authorized to issue bonds not having more than twenty years to run, and bearing a low rate of interest, payable in England or Germany, to be used in taking up the six per cents now held abroad, and in meeting any foreign demand for investment that may exist. The question now to be considered is not how shall our bonds be prevented from going abroad, for a large amount has already gone, and others will follow as long as our credit is good and we continue to buy more than we can pay for in any other way, but how shall they be prevented from being thrown upon the home market, to thwart our efforts in restoring the specie standard. The Secretary sees no practicable method of doing this at an early day, but by substituting for them bonds which, being payable principal and interest in Europe, will be less likely to be returned when their return is the least desired. The holders of our securities in Europe are now subject to no inconvenience and not a little expense in collecting their coupons; and it is supposed that five per cent., or perhaps four and a half per cent. bonds, payable in London or Frankfort, could be substituted for our six per cents., without any other expense to the United States than the trifling commissions to the agents through whom the exchanges might be made. The saving of interest to the United States would be no inconsiderable item; and the advantages of having our bonds in Europe placed in the hands of actual investors is too important to be disregarded.

RESTORATION OF THE STATES.

5. The fifth and last remedy suggested is, the rehabilitation of the States recently in insurrection.

In alluding to this subject, the Secretary feels that he steps upon dangerous ground, lest he may be charged with introducing a political topic in a financial report; but, in his opinion, there is no question now before the country more important in its bearings upon our finances than the political and consequently industrial status of the Southern States. Embracing, as they do, one-third of the richest lands of the country, and producing the staples for home use and for exportation to other countries, their position with regard to the General Government cannot remain unsettled, and their industrial pursuits cannot continue to be seriously disturbed, without causing such a diminution of the production of their great staples as must necessarily affect our revenues, and render still more unsatisfactory than they now are, our trade with Europe. As long as the present anomalous condition of these States continues—as long as they have no participation in the Government,

purveying depots have been dispensed with, and all perishable articles of medicines and hospital supplies, in excess of the requirements of a peace establishment, have been disposed of by public sale at advantageous rates, and the reserved supplies concentrated at five depots. The proceeds of old or surplus medical and hospital property amount to $4,-344,361 69.

SALES OF MATERIAL NOT WANTED.

But the sale and disposition of these large amounts of unserviceable and perishable stores still leave on hand an adequate supply of war material to meet any emergency that can possibly arise. The stock of clothing, equipage, quartermaster, subsistence, hospital and ordnance stores, arms, ammunition and field artillery is sufficient for the immediate equipment of large armies. The disbanded troops are ready to respond to the national call, and, with our vast means of transportation and rapid organization, developed during the war, they can be organized, armed, equipped and concentrated at whatever points military emergency may require. While, therefore, the war expenses have been reduced to the footing of a moderate and economical peace establishment, the national military strength remains unimpaired and in condition to be promptly put forth.

While the reduction of the volunteer force and the advantageous disposition or concentration of war material were thus successfully accomplished without diminishing the military power of the country, recruiting and reorganizing the regular army favorably progressed. In consequence of the difficulty in procuring enlistments for the regular while so many were required for the volunteer service, 153 companies of the regular army, as then authorized, were unorganized on May 31, 1866, but in the middle of the following July these companies had been completed. Under the act of July 28, 1866, the regular army now comprises 10 regiments, or 120 companies of cavalry, 5 regiments, or 60 companies of artillery and 45 regiments, or 450 companies of infantry; of which 2 cavalry and 6 infantry regiments are composed of colored men, and 4 infantry regiments of men who were wounded in the line of their duty. One regiment of white cavalry had been fully recruited on Sept. 15; the other regiment, assigned to the Pacific coast, is very nearly completed. 48 of the 54 companies required to convert into regiments the single battalions of the nine three-battalion regiments of the former organization have been completed and sent to their regiments. The four veteran regiments have been assigned to districts where the men may be usefully employed in guarding storehouses and cemeteries, and on similar duties. The colored regiments will be recruited, as far as possible, from the colored volunteers still in service. The law authorizes an assignment of 100 privates to a company as the maximum, 50 being the minimum, and the maximum strength of the army is thus placed at 75,382, rank and file. The present strength of companies is fixed at 64 privates for cavalry and infantry companies, and 122 privates for light batteries of artillery, making an aggregate strength of 54,302. As soon as the ranks shall be well filled, it is designed to increase the efficiency of the military force by raising the standard of qualifications.

PAYMENT OF TROOPS.

The troops in service were regularly paid, and the demands of those discharged and mustered out promptly met. During the fiscal year ending June 30, 1866, $10,431,004 42 were disbursed to the army and military academy, $248,943,13 36 to volunteers; and the disbursement of millions of dollars in small sums, and under great difficulties and hazards, the total cost to the Government, in expenses of every character, is but a fractional portion of one per cent.

MORALE OF THE ARMY.

Every effort has been made to promote the comfort and health of the army, and to give the best medical treatment to the wounded and sick. Well-grounded apprehensions of the appearance of Asiatic cholera as an epidemic, early in the present year, required prompt action for the protection of our troops. A rigid military quarantine was established on the Southern Atlantic coast, and sanitary precautions enforced. The adoption of these measures availed to control or eradicate the disease at the recruiting depots or forts where it appeared, before it assumed its usual alarming epidemic form; and official recognition has been given to the meritorious services of medical officers whose fidelity, energy and skill in administration succeeded in averting or diminishing the horrors of white-spread pestilence. In other respects the general health of the troops has been good. Among white troops the proportion of deaths, from all causes, to cases treated, has been one to every fifty-two. Among colored troops the proportion of cases taken sick has been greater than with the white troops, and the mortality rate one death to every twenty-nine cases treated. There were remaining in general hospitals June 30, 1866, and admitted during the year, 64,438 patients, of whom, on June 30, 1866, only 97 remained under treatment. The comfort and proper medical treatment of the sick and wounded are secured in well-arranged post hospitals, of which there are at present 187, with a total capacity of 10,881 beds.

THE PLAINS.

Measures have been adopted for the purpose of providing suitable shelter for the troops now stationed on the plains, and for those which may be ordered thither, and to prevent suffering during the Winter. The army has been well supplied with forage, about one-half the quantity being supplied from the stock remaining on hand at the cessation of hostilities; the consumption for the year has been 3,300,000 bushels of oats, 5,061,000 bushels of corn, 136,000 tons of hay, 3,700 tons of straw.

SUBSISTENCE.

Subsistence stores of good quality have been supplied to the army, and though the larger part has been obtained at the principal markets and centres in Northern States, yet the general return of the citizens, North and South, to the productiveness of peace, and the consequent reopening of the customary channels and sources of trade, have enabled a partial resumption of the course of procuring supplies at the points where they are to be consumed. Eighty-nine contracts for troops and beef have been made in the Southern States, at a general average price of 11.06 cents per pound, and in the interior of those States other articles to a small extent have been purchased. The market at New-Orleans is now so well furnished, and has so far resumed a healthful mercantile condition as to render it possible to procure there, at satisfactory prices, most of the subsistence stores required in the Department of the Gulf. On the Pacific coast, for several years after California was admitted to the Union, all the supplies for troops there stationed were required to be shipped from New-York, but an ample and reliable market, comprising the products of California and Oregon, and the foreign countries bordering upon the same ocean, is now found in San Francisco, and most of the subsistence stores for troops in the Division of the Pacific have been thence obtained. In general the subsistence supplies purchased during the year have been procured upon contracts, concluded in pursuance of advertisements for sealed proposals, written proposals and acceptances.

BREACH-LOADING ARMS.

The importance of speedily providing the army with breech-loading small arms of the best pattern has been recognized and acted upon. By an order of Jan. 3, 1866, a board of competent officers was convened for the purpose of examining, testing, and reporting on the various models of original breech-loaders, and the various models of plans for converting muzzle-loaders of the arms heretofore borne by our troops. This board met on March 10, and continued in session until June 4, when its report was submitted, and directions have been given the Ordnance Department for the speedy manufacture of breech-loading arms. In view of the great number of small arms on hand, it has been deemed advisable to convert Springfield rifle-muskets, at a comparatively small cost, into efficient breech-loaders, rather than to incur the cost of the entire manufacture of new arms of that description, at a time, too, when the invention may not have been perfected. This alteration of the Springfield musket has been effected so successfully as to render it an arm believed to be the best in all respects of the breech-loading rifles, while its metallic ammunition is regarded as superior to that of the latter. The department has already on hand breech-loaders of approved patterns adequate for the supply of the cavalry, and mounted and light infantry.

INSPECTIONS.

Beside the measures that have been mentioned to provide for the comfort and promote the efficiency of the army, stated monthly inspections have been made in every military command during the year, with a view to bring to notice, and promptly remedy, any irregularities and defects; and numerous special inspections have also been made throughout the whole country, for the purpose of correcting abuses, suggesting improvements and effecting retrenchment in the service. The inspection service has not been changed by the return to peace; the system developed during the war, meeting the requirements as nearly as practicable, is still continued.

EXISTING DEPARTMENTS.

The present organization of Military Departments and Divisions is as follows:

The Department of the East, Major-Gen. GEORGE G. MEADE to command, to embrace the New-England States, New-York, New-Jersey, Pennsylvania and Fort Delaware. Headquarters at Philadelphia.

The Department of the Lakes, Brigadier and Brevet Major-Gen. JOSEPH HOOKER to command, to embrace the States of Ohio, Michigan, Indiana, Illinois and Wisconsin. Headquarters at Detroit.

The Department of Washington, Brigadier and Brevet Major-Gen. E. R. S. CANBY to command, to embrace the District of Columbia, Alexandria and Fairfax Counties, Virginia, and the States of Maryland and Delaware, except Fort Delaware. Headquarters at Washington.

The Department of the Potomac, Brigadier and Brevet Major-Gen. JOHN M. SCHOFIELD to command, to embrace the States of Virginia, except Alexandria and Fairfax Counties, and West Virginia. Headquarters at Richmond.

The Department of the South, Major-Gen. DANIEL E. SICKELS to command, to embrace the States of North and South Carolina. Headquarters at Charleston.

The Department of the Tennessee, Major-Gen. GEO. H. THOMAS to command, to embrace the States of Kentucky, Tennessee, Georgia, Alabama and Mississippi. Headquarters at Louisville.

The Department of the Gulf, Major-Gen. PHILIP H. SHERIDAN to command, to embrace the States of Florida, Louisiana and Texas. Headquarters at New-Orleans.

The Department of the Arkansas, Brigadier and Brevet Major-Gen. E. O. C. ORD to command, to embrace the State of Arkansas and Indian Territory west. Headquarters at Little Rock.

The Department of Missouri, Major-Gen. WINFIELD S. HANCOCK to command, to embrace the States of Missouri and Kansas, and the Territories of Colorado and New-Mexico. Headquarters at Fort Leavenworth.

The Department of the Platte, Brigadier and Brevet Major-Gen. PHILIP ST. GEORGE COOKE to command, to embrace the State of Iowa, the Territories of Nebraska and Utah, so much of Dakota as lies west of the 104th meridian, and so much of Montana as lies contiguous to the new road from Fort Laramie to Virginia City, Montana. Headquarters at Omaha.

The Department of Dakota, Brigadier and Brevet Major-Gen. A. H. TERRY to command, to embrace the State of Minnesota and all the Territories of Dakota and Montana not embraced in the Department of the Platte. Headquarters at Fort Snelling.

The Department of California, Brigadier and Brevet Major-Gen. IRVIN MCDOWELL to command, to embrace the States of California and Nevada, and the Territory of Arizona. Headquarters at San Francisco.

The Department of the Columbia, Major-Gen. FREDERICK STEELE to command, to embrace the State of Oregon and the Territories of Washington and Idaho. Headquarters at Portland.

PRINCIPAL MOVEMENTS OF TROOPS.

The principal movements of troops have been in Texas, on the Mexican frontier and in the Territories, the details of which are given in the accompanying report of Gen. GRANT, commanding the armies of the United States, and the reports of division and department commanders, to which reference is made. Gen. GRANT reports that a military force has been kept in all the lately rebellious States, for the purposes of insuring the execution of law and protecting life and property against the acts of those who, as yet, will acknowledge no law but force—a class smaller, in his opinion, than could have been expected after such a conflict as that through which we have passed, but sufficiently formidable to justify the course which has been pursued. Military movements have also been directed with a view to the protection of emigrants on their way to the mountain Territories against the hostility and opposition of the Indians.

DEFENCES OF THE COUNTRY.

Besides the operations thus recapitulated, of reduction, concentration, retrenchment and reorganization of the military establishment, and payment, complete equipment and disposition of the army, other matters of national importance and interest have received the careful attention of the War Department.

The permanent defences of the country have been strengthened. Their efficiency has already been much increased by substituting cannon of larger calibre and improved model for lighter guns, and wrought-iron for wooden gun-carriages. This work is still in progress, and will be continued. Diligent and careful efforts, based upon the designs and recommendations of competent Boards of Engineers, have been made to adapt old works, as well as those in process of construction, to more powerful armaments. Construction has been suspended upon some works, in order to await the completion of important experiments having in view the extensive use of iron shields or armor for the protection of guns and gunners; the results already attained give the promise of a practical and highly beneficial application of the knowledge obtained by these trials.

SURVEY OF THE LAKES.

Surveys of the lakes have been continued, and progress has already been made in improving the harbors and rivers of the country. The work will be energetically prosecuted under the liberal appropriations made at the last session of Congress.

BOUNTIES, EXTRA PAY, PERSONAL RELIEF, &c., OF SOLDIERS IN THE LATE WAR.

Active and careful measures have been instituted for successfully and speedily carrying into effect the generous provisions of Congress for the benefit of surviving soldiers of the war for the Union. The subject of the payment of extra bounties to discharged soldiers, and extra pay to discharged officers, has received assiduous attention. The recent law devolving upon the War Department, instead of the accounting officers of the Treasury, the duties of examination and settlement of claims of this nature, imposed a vast accumulation of labor, and required the consideration of numerous acts of Congress and the regulations and practice of several bureaus; upon the proper performance of these extraordinary labors depends the disbursement of nearly three hundred millions of dollars among more than a million of claimants. Soon after the adjournment of Congress a competent Board of Officers was organized to prepare rules and regulations for the payment of the authorized bounties. Diligent application was given to this work, and the regulations, having been found to be in strict accordance with law, were promptly approved, published, and directed to be carried into effect. To the same Board the subject of bounties for colored soldiers was also referred, with a view to provide any additional checks that might guard the bounty from fraudulent assignees and secure it to colored soldiers, and protect the Treasury against fraud; and when the report was received, payment of the bounties was ordered. As to the other class of bounties, the Paymaster-General regards it impracticable to make payment until all applications shall have been received, and claims classified and registered by States and organizations; but by this preliminary process the ultimate payment of all will, it is believed, be greatly expedited. Attempted otherwise, probably the work would never be fully accomplished. Of the valuable public records by which the validity of the bounty claims is to be tested, there is in the archives of the Government but one copy, already much worn, for each period. An examination for each individual case would soon reduce them to illegible shreds.

The duty of the Government to the soldiers who have been maimed or have fallen in its defence has not been neglected. Much care has been given, by precautions and practical tests, to secure for the former the most durable, useful and comfortable artificial limbs. From July 16, 1862, the date of the act of Congress authorizing artificial limbs to be furnished, to July 1, 1866, there have been supplied to disabled soldiers 3,981 legs, 2,240 arms, 9 feet, 55 hands, 125 surgical apparatus, and it is supposed that not more than 1,000 limbs remain still to be supplied, at an estimated cost of $70,000. In order to include in future cases of loss, from the nature of the injury or operation, no limb or other surgical appliance can be advantageously adopted, the Surgeon-General has recommended that, if the appropriation for this purpose shall be continued, the money value of an artificial limb, in lieu of an order for the apparatus, be given to the maimed soldier. Forty-one national military cemeteries have been established, and into these had already been gathered, on June 30, the remains of 104,526 Union soldiers. The sites for 10 additional cemeteries have been selected, and the work upon them, for some time delayed by the climate and a threatened epidemic, is now in course of vigorous prosecution. Although it may not be desirable to remove the remains of those now reposing in other suitable burial grounds, it is retained that four national cemeteries will be required to receive and protect the remains of 249,397 patriotic soldiers whose lives were sacrificed in defence of our national existence. The average cost of the removals and reinterments already accomplished is reported at $9 75, amounting in the aggregate to $1,144,791; and it is believed that an additional expenditure of $1,669,209 will be necessary. It is proposed, instead of the wooden headboards heretofore used, to erect at the graves small monuments of cast iron, suitably protected by zinc coating against rust. Six lists of the dead, containing 32,666 names, have been published by the Quartermaster-General, and others will be issued as rapidly as they can be prepared.

Documents submitted by the chiefs of bureaus, and accompanying this report, contain detailed information relative to the operations of the War Department and the requirements of its respective branches.

ESTIMATES.

The total estimate of military appropriations for the fiscal year ending June 30, 1868, is $25,205,669 60.

RECRUITING.

The Adjutant-General's office has immediate supervision of recruiting for the regular army, and disbanding the volunteer force, and charge also of the records and unfinished business of the Provost-Marshal-General's Bureau, which, in accordance with act of July 28, 1866, was discontinued on Aug. 28. Arrangements have been made for the prompt settlement of the undetermined questions formerly pertaining to that bureau, and for the removal to Washington of the records of its offices in the various States. The estimated appropriation required for the purposes of the Adjutant-General's office is $300,000.

The officers of the Inspector-General's Department are now those of the regular establishment, and they are all engaged in their legitimate duties of stated and special inspections. No appropriation is required for this service.

TRIALS AND REVIEWS.

In the Bureau of Military Justice during the past year 8,148 records of Courts-martial and Military Commissions have been received, reviewed and filed; 4,008 special reports made as to the regularity of judicial proceedings, the pardon of military offenders, the remission or commutation of sentences, and upon the miscellaneous subjects and questions referred for the opinion of the Bureau; including also letters of instruction upon military law and practice to Judge-Advocates and reviewing officers. The number of records of military Courts received at this Bureau reached a minimum soon after the adoption of the recent Army Act, and since that time has increased with the military force. The other business of the office, as an advisory branch of the War Department, will also, it is believed, continue to be augmented until the peace establishment shall be completely organized and the new army fully recruited; and the fact that, in a large number of important cases, commanders of Departments and Armies are not authorized to execute sentences in time of peace, and that such cases can no longer be summarily disposed of without a reference to the Executive, will also require from the Bureau a very considerable number of reports which heretofore have not been called for. Its aggregate business will, it is thought, not be reduced in proportion to the reduction of the military force.

CLOTHING.

In the Quartermaster's Department the returns and accounts of officers responsible for clothing and equipage during the year, have been examined and transmitted to the Treasury for final settlement. The erection of the fire-proof warehouse at Philadelphia, for which Congress made an appropriation on July 28, will be commenced so soon as the proposals now invited by public advertisement shall have been received and compared; and authority is desired for the purchase of a site and erection of a similar structure at Jeffersonville, Ind. During the fiscal year ocean transportation has been furnished for 131,581 men; inland transportation for 1,016,390 persons, 138,389 animals, 10,370 wheeled vehicles and 420,000 tons of stores of all kinds; and the greater part of the bills for transportation during the war have been settled and paid. Claims, principally under the act of July 4, 1864, have been filed during the year to the amount of over $11,000,000, upon which about $1,000,- have been paid. No further appropriations are required for the regular service of the Quartermaster's Department, as it is believed that the balances now available, and the sums received and to be received, will suffice for the next fiscal year. For contingencies the sum of $100,000 is requested.

SUBSISTENCE.

The Subsistence Department is engaged, under the joint resolution of July 25, 1866, in paying, upon certificates given by the Commissary-General of Prisoners, commutation of rations to those United States soldiers who were held as prisoners of war. Tobacco is now furnished to the enlisted men of the army, under proper regulations. The settlement of accounts of officers who have performed duty with the Subsistence department has rapidly progressed. Claims under the act of July 4, 1864, which have been filed in the Subsistence Office, amount in the aggregate to $1,758,081 04, on which $85,343 10 have been allowed. Claims amounting to $1,021,123 70 await final examination and decision. The total amount of money drawn from the Treasury and disbursed by the Subsistence Department during the past fiscal year was $7,618,872 54, including payment of claims under the act of July 4, 1864. The amount disbursed during the fiscal year of the war was:

From July 1, 1861, to June 30, 1862	$48,799,821 14
From July 1, 1862, to June 30, 1863	69,857,582 78
From July 1, 1863, to June 30, 1864	90,665,012 20
From July 1, 1864, to June 30, 1865	144,722,969 41
From July 1, 1865, to June 30, 1866	7,516,973 54
Total amount	$360,562,359 57

No appropriation is required for the next fiscal year.

MEDICAL AFFAIRS.

Arrangements will soon be consummated by the Medical Department for the permanent security of its valuable mortuary records, including 16,000 folio volumes of hospital registers, 47,000 burial records, 16,000 hospital muster and pay-rolls, alphabetical registers of the dead, containing 250,000 names of white and 20,000 of colored soldiers, and the pathological collection constituting the Army Medical Museum. During the year official evidence, obtainable from no other source, of cause of death, or of discharge for disability, has been furnished in 49,212 cases, and 210,027 discharges upon certificates of disability have been examined and classified. The total number of surgical cases classified and recorded is, of wounds 183,952, and of operations 28,438. The preparation for publication of the medical and surgical history of the war has been prosecuted with much energy, much of the manuscript and several of the illustrations for the first volume being completed. The army medical museum continues to increase in value and usefulness, and the greater security and additional accommodations of the building to which it will be shortly removed, admit of the addition of a great number of interesting and instructive specimens not hitherto available for want of space. A small appropriation will be required to continue the work of classification and preservation of this national collection. The number of casualties from the commencement of the war to the present time, in the regular and volunteer medical staff, is ascertained to be 336, including 29 killed in battle, 12 killed by accident, 10 died of wounds, 4 died in rebel prison, 7 died of yellow fever, 3 died of cholera, 270 died of other diseases. During the war 35 medical officers were wounded in battle. The distribution of troops in small bodies over so large an extent of country necessitates the employment of Acting Assistant Surgeons temporarily, but the number of these has been reduced from 1,097 on July 1, 1865, to 264 on July 1, 1866, and will be still further diminished when existing vacancies in the grade of Assistant Surgeons, created by the act of Congress of July 28, 1866, are filled; a corresponding decrease in the number of hospital stewards, for general service, has also been effected; and in every branch of the department reduction and retrenchment have been rigidly enforced. An aggregate expenditure of $267,391 92 was incurred by the Medical Department in furnishing officers and supplies to the Bureau of Refugees, Freedmen and Abandoned Lands, which had under its control, during the fiscal year ending July 1, 1866, no appropriation applicable to the purpose; and though, under a decision of the Treasury Department, reimbursement was not made from subsequent appropriations for the Freedmen's Bureau, no embarrassment arose and no legislation is required. The funds at the disposal of the Medical and Hospital Department, during the year ending June 30, 1866, were as follows:

Balance of appropriations remaining in the Treasury July 1, 1865	$1,161,181 24
Amount of Treasury draft No. 1,544, en war warrant No. 3,208, issued May 19, 1865, in favor of Assistant Surgeon J. B. Brinton, lost in the mail and subsequently refunded	10,000 00
Proceeds of sales of old or surplus medical and hospital supplies	4,044,261 59
Amount refunded on account of supplies furnished or the use of prisoners of war	22,163 34
Amount refunded by the Subsistence Department, on account of amount paid for board and care of sick soldiers in private hospitals	121,600 51
Amount received for board of officers in hospitals	14,293 96
Amount recovered on account of stores and furniture lost or damaged in transportation	4,597 42
Refunded from appropriation for care of destitute discharged soldiers, being for board of discharged soldiers while having artificial limbs fitted	6,955 24
Received from all other sources	1,015 84
Total	$5,386,064 24

Of this amount there was disbursed during the same period—

For medical and hospital supplies, (a great part of this sum expended in payment of debt of previous year)	$975,773 83
For pay of hospital stewards	926,584 05
For pay of nurses and other hospital employes	309,916 06
For purchase of artificial limbs for disabled soldiers	198,999 00
For board of sick soldiers in private hospitals	86,781 75
For expenses of hospitals for officers	23,188 51
For expenses of purveying depots, laboratories, repairs, &c	312,243 18
For miscellaneous expenses of the medical department	32,345 39
Total disbursements during the fiscal year	$2,837,801 77
Balance in Treasury June 30, 1866	2,546,457 14
Refunded of amount advanced by disbursing officers during the previous year	1,805 33
	$5,386,064 24

The estimated appropriation required for the medical department for the next fiscal year is $90,000,

PAY DEPARTMENT.

The Pay Department remains without material change. In consequence of additional labors imposed upon this branch of the War Department by recent Congressional enactment, and in order to promptly pay the large issue of Treasury certificates, it was necessary to retain temporarily a number of additional paymasters. The financial summary exhibits:

A balance on hand at the beginning of the fiscal year	$120,168,999 32
Received from treasury and other sources during the year	163,426,228 97
Total	$283,595,228 29
Accounted for as follows:	
Disbursements to army and Military Academy	$10 431,004 42
Disbursements to Volunteers	248,943,313 36
Unissued requisitions in treasury	10,750,000 00
In hands of paymasters, June 20	13,408,910 51— 283,533,228 29

The total disbursements of each class during the fiscal year is as follows:

To troops on muster out	$205,272,324 00
To troops in service	30,260,010 00
To referred claims	7,692,796 00
To payment of treasury certificates	16 189 247 00
Total	$169,374,317 00

The estimated appropriations of the pay Department amount to $17,728,500 60 for pay of the army for the next fiscal year.

ENGINEERS.

The Corps of Engineers at the close of the fiscal year consisted of 95 officers, the battalion of engineer troops and the Military Academy. Thirteen officers were on detached duty, serving in command of military departments, on special service connected with the levees of the Mississippi River, on the Lighthouse Board, with the Department of the Interior upon duties relating to the Pacific Railroad, on military surveys and staffs of the General-in-Chief and Commanding General of the military Division of the Gulf; the remainder were diligently engaged in the duties of their profession, officers of desirable experience and practice having direct charge of the more important works. The engineer troops were distributed between the Military Academy and the two depots of engineer supplies located at Willett's Point, New-York, and at Jefferson Barracks, Missouri. The condition of the battalion with regard to discipline and instruction is reported as satisfactory. At the two engineer depots, much valuable war material has been collected from points where it had remained after the close of active operations in the field, and it is proposed to keep on hand a complete outfit on a moderate scale of such engineer, bridge and siege equipage as would be most likely to come into requisition to supply unforseen demands in the field. The Chief of Engineers suggests a modification of the act of June 25th, 1866, reserving to the master of procuring labor and material for improvements of harbors and rivers. The estimated appropriation required by the Engineer Bureau for the next fiscal year is $5,140,000.

ORDNANCE.

The Ordnance Department now limits the operations at arsenals to the construction of wrought-iron gun-coast carriages, and such ordnance supplies as are needed for immediate use, preservation of the ordnance stores left on hand at the close of the war, breaking up unserviceable ammunition and completing unfinished buildings. Fire-proof workshops have been completed at Watervliet, Frankford and Alleghany arsenals, three magazines, with a capacity for storing 15,000 barrels of gunpowder, have been built at St. Louis arsenal, and one of the same capacity at each of the arsenals at Washington City and Benicia. A board of officers is engaged in examining suitable sites for depositories of gunpowder, provided for by an appropriation of the last session of Congress; and the erection of such magazines as will furnish secure and suitable storage for all our powder, ammunition and nitre, will be commenced early next Spring. The arsenals at the South which were seized by the rebels, having been retaken, are reoccupied, excepting the North Carolina arsenal, which was destroyed, the Harper's Ferry armory, the workshops of which were burned, and which has been used as an ordnance depot, the arsenal in Florida, which has been transferred temporarily to the freedmen's bureau, and the arsenal in Arkansas, which is occupied by troops of the line. The Chief of Ordnance is of opinion that it is not advisable to rebuild the North Carolina arsenal, or to reestablish the armory at Harper's Ferry, and the sale of both is recommended. All the small-arms and some of the other supplies which were collected at Baton Rouge, San Antonio, Augusta, Charleston, and Mount Vernon arsenals have been removed, and the only supplies which have been sent to them were such as were required for immediate issue to troops. The Commission appointed under the act of April 19, 1864, to examine and report the value of property on Rock Island taken by that act, has entered upon its duties. As soon as good title to the property shall have been acquired, the construction of the armory and arsenal, as required by law, will be hastened as fast as the appropriations will admit. It is important that this establishment should be built up as rapidly as possible, and a considerable sum has been estimated for that purpose during the next fiscal year. It is believed that all of it is necessary and can be judiciously and advantageously expended. The operations at the National Armory at Springfield, Mass., during the past year, have been confined to cleaning and repairing arms used during the war, and making the requisite preparations for converting the Springfield muskets into breech-loaders. The power and endurance of the 8-inch and 12-inch cast-iron rifle cannon have been subjected to practical tests, and the experiments will be continued. The ordnance returns for three consecutive years, including a period of active service and ordinary repairs, show an average duration of five years for cavalry carbines, of four years for cavalry pistols, sabres and accoutrements, of seven years for infantry muskets, and of six years for infantry accoutrements. From Jan. 1, 1861, to June 30, 1866, the Ordnance department provided 7,981 cannon; 11,787 artillery carriages; 4,022,180 small arms; 3,362,546 complete sets of accoutrements for infantry and cavalry; 539,644 complete sets of cavalry horse equipments; 26,164 sets of horse artillery harness; 1,022,176,474 cartridges for small arms; 1,220,555,485 percussion caps; 2,862,177 rounds of fixed artillery ammunition; 14,507,632 cannon primers and fuzes; 12,875,294 pounds of artillery projectiles; 26,440,054 pounds of gunpowder; 6,305,152 pounds of nitre, and 90,415,395 pounds of lead. In addition to these, there were immense quantities of parts provided for repairing and making good articles damaged, lost, or destroyed in the service. The fiscal resources of the Ordnance Bureau for the year amounted to $36,801,003 56, and the expenditures $14,[illegible],677 38, leaving a balance of $18,749,326 18, of which $18,043,804 26 were undrawn balances in the treasury, and $705,560 90 were to the credit of disbursing officers in the government depositories on June 30, 1866. The estimated appropriation required by the Ordnance office, including only such objects as require early attention, is $1,593,242.

PRISONERS.

In the office of the Commissary-General of Prisoners a reduced force has been engaged in receiving and completing the records relating to prisoners of war, in furnishing information required by the various bureaus, and in the investigation of claims for commutation of rations to United States soldiers while held as prisoners of war.

SIGNAL CORPS.

The clerical force at the office of the Signal Corps is employed in arranging and putting in durable form messages and reports which passed through or emanated from the corps during the war. The expenditures for the signal service during the year ending Sept. 30, 1866, were $8,900 15; the total amount appropriated and still available for signal service Sept. 30, 1866, was $952,565 97. No appropriation was requested of last Congress, and none will be required for the next fiscal year.

CADETS.

At the last examination the corps of cadets at the Military Academy numbered 228 members, and of cadets of the graduating class completed the course of studies and were commissioned Lieutenants in the army. Under the provisions of the acts of Congress approved respectively July 13 and 28, 1866, the Military Academy was separated from the corps of engineers, which, together with certain professors and cadets, had heretofore constituted the institution, and the officers of which had exercised exclusive supervision and control over it. Brevet Maj.-Gen. EDMUND SCHRIVER, Inspector General, has been assigned as Inspector, and Col. T. G. PITCHER, of the Forty-fourth Infantry, appointed Superintendent. The report of the Board of Visitors for 1867 bears ample testimony to the usefulness and excellent condition of the Academy, and recommends the increase of the number of cadets to 400. With the present number of cadets but one graduate can be supplied to each regiment every second year, by the ordinary demands of the staff corps are met. During the past session of Congress important measures were adopted respecting the Academy, raising the standard of qualifications for admission, and requiring that appointments be hereafter made one year in advance of the date of admission. The Inspector, from personal observation, reports the high authority of the institution as most assiduous in their efforts to advance the interests of the Academy and its cadets. Its administration is characterized by economy, and habits of frugality are inculcated. Excellent discipline is maintained and judiciously enforced. The estimated appropriation for the Military Academy is $243,867.

FREEDMEN AND ABANDONED LANDS.

In the Bureau of Refugees, Freedmen and Abandoned Lands the Commissioner reports that there is no material change of organization, but business is facilitated and vexed questions settled by the law of 1866. The jurisdiction of Commissioners coincides generally with department and district commands, but is distinct in Maryland and the District of Columbia. Under the new law Maryland and Kentucky are embraced, and these States seem to require aid from the Bureau in promoting the interests of justice and education. In the Northern claims employment has been found at little expense to the Government, and not a source of revenue, have been established with a view to obtain work and homes for dependent freed people and to relieve crowded localities. The importance of self-support has been urged by proper means upon the laboring classes. Wages have been determined not by orders of Bureau officers, but by circumstances ordinarily affecting the price of labor in different localities. The education of freedmen and children has been carried on vigorously, under the immediate patronage of benevolent societies. A Superintendent of Education, devoting his whole time to his work, is stationed at the Bureau headquarters in each State, and all Bureau officers cooperate with him. It is estimated that 150,000 freedmen and their children are now attending school in the Southern States. Schools for refugee white children are also established. Their formation is everywhere encouraged by the Bureau. There has been but little uniformity of action in different States in respect to the administration of justice. Assistant Commissioners have been instructed to transfer military jurisdiction as rapidly as possible to State judicial tribunals. This has been done completely in some States, while in Virginia, Louisiana, and Texas, Bureau courts are still in existence. A claim division, instituted in March last, and aided by officers and agents throughout the States, has sought to prevent frauds upon colored soldiers in their efforts to collect unpaid claims. 195 claims were paid through the office of the Commissioner; 723 rejected at his office; 1,532 are in process of adjustment. The aggregate amount collected and paid is $10,539 09. Detailed reports are given of the operations of the Bureau in each State and the District of Columbia. Transportation is reported as furnished to destitute freed people, both classes are diminished. Rigid scrutiny has been exercised to prevent issues to any but the absolutely destitute, and parts of the ration not actually needed were cut off. Officers were directed to hold each plantation, county, parish, and town responsible for the care of its own poor, but to very little purpose, for, with few exceptions, in the States enumerated, these statements show more than half the whole number to be in operation, comprising nearly nine-tenths of the railroad routes. All the routes in these States were duly advertised to be let to contract; a part from Jan. 1, 1866, and the residue from July 1, 1866; but on a large number of them no proposals were received under the advertisement, and on many others the bids were extravagantly high. In the latter case, offers of the highest admissible rates were submitted by the Department to the lowest bidders; and in some instances negotiations were opened through special agents, postmasters, and leading citizens. By all these means combined, the amount of service here stated has been obtained.

The existing contracts in all the States named, except Tennessee, will expire on the 30th June, 1867. New advertisements, inviting proposals for four years' service from 1st July, 1867, are now being issued, under which it is hoped all route of real utility in the whole section will be let.

OVERLAND ROUTE TO CALIFORNIA.

By a recent order of the department, the overland mail route to California, of which Atchison, Kansas, had been the initial point, has been changed so as to have two points of departure—one from Junction City, Kansas, on the Union Pacific Railroad route, (eastern division,) running from Wyandotte, Kansas; and the other from Fort Kearney, Nebraska, on the Union Pacific Railroad route, running from Omaha City, Nebraska. The lines from these two points meet at Denver City, in Colorado Territory.

The Junction City Road starts at Wyandotte with the Pacific Railway from St. Louis, Mo., making a continuous railway connection with the eastern cities. By this route the stage travel is diminished 168 miles, and the time occupied in the transit should be proportionally reduced. The mails to and from California, which before were sent *via* Chicago and St. Joseph, were consequently delayed on the 15th of August last, to be sent *via* St. Louis, Wyandotte and Junction City. The reports so far received of the actual running of the mails since the change took effect do not show the average diminution of time in the through trip which the Department was led to expect, though the capacity of the route for superior expedition is proved by the fact, that in one or two instances the mails have been carried from New-York in nineteen days from San Francisco, a day less than the shortest ever made previous to the change. Subsequently, however, the extension of the Chicago and Northwestern Railway to Omaha City, which is necessary to form a continuous line by rail to Fort Kearney, has become so nearly completed that, on the 13th of November instant, orders were issued to supply at Chicago, Omaha City and Fort Kearney, all mails destined for the overland route from the distributing offices at Portland, Boston, Hartford, Albany, New-York, Philadelphia, Pittsburgh, Buffalo, Cleveland and Detroit—the expectation being that mails from that portion of the country represented by these distributing offices will find their quickest transit by the northern route.

FOREIGN MAIL SERVICE STATISTICS.

The aggregate amount of postage, sea, inland, and foreign, upon the correspondence exchanged with foreign countries, was $2,289,219 30, being an increase of $469,230 70, as compared with the previous year. Of this amount $1,840,800 92 accrued upon the mails exchanged with Great Britain, France, Prussia, Bremen, Hamburg, and Belgium; $328,341 33 on mails exchanged with the British North American Provinces, and $120,077 05 on the correspondence transmitted to and from the West Indies, Mexico, Central and South America.

The transatlantic mail steamship lines employed in the service of foreign Governments conveyed mails, the postages on which amounted to $976,109 23; and those employed in the service of this Department conveyed mails, the postages on which amounted to $865,691 69.

The United States' portion of the postages upon the correspondence exchanged with Great Britain and the continent of Europe amounted to $775,647 99; with the British North American Provinces, $138,883 53; with the West Indies, Mexico, Central and South America, $120,077 05.

The number of letters exchanged in the mails with foreign countries was 9,450,546; of which 4,886,916 were sent from, and 4,548,630 received in the United States. Of this number 8,504,847 were exchanged with European countries, an increase of 1,851,330 over the number exchanged in 1865.

The number of newspapers sent to foreign countries was 2,804,442, and the number received from foreign countries 1,381,724, making a total of 4,186,-166. Of this number 3,828,135 were exchanged with Europe, being an increase of 29,157 on the number in 1865.

The increased correspondence with foreign countries, particularly with the continent of Europe, during the year is unprecedented, amounting to more than twenty-five per cent. as compared with the previous year.

OCEAN TRANSPORTATION.

The cost of transatlantic mail service performed by steamships employed by this Department under the provisions of the existing law, which allows the sea and inland postage to American and the sea postage only to foreign steamers, was $325,307 46.

The cost of ocean transportation of mails to and from the West Indies, by steamers receiving different rates of compensation within the limit of the postages, was $57,871 69, being $20,742 32 less than the amount of United States postages upon the mails conveyed.

The amount paid for sea and isthmus transportation of the mails exchanged with Central and South America, *via* Panama, was $17,877 45.

POSTAL CONVENTION WITH ITALY.

A liberal postal convention has been concluded with the Kingdom of Italy, which adopts the leading reforms in international postal intercourse, recommended by the postal conference held at Paris in May, 1863. It was negotiated and signed at Turin on the 4th of July, 1865, and the ratifications thereof were formally exchanged at Florence on the 14th of June, 1866. This convention, a copy of which is annexed, will be carried into execution as soon as notice is received from the post department of Italy of the route or routes of transit by which the exchange of correspondence in closed bags can be effected.

BASIS OF NEW POSTAL CONVENTION WITH GREAT BRITAIN.

Notice was given by the British Government, under date of July 25, 1866, of its purpose to terminate the existing postal convention between this country and the United Kingdom on the 1st of January, 1868, simultaneously with the expiration of the mail subsidy contract with the Cunard line; accompanied with an assurance of the desire of that Government to conclude a new convention on a more liberal basis, reducing the present rates of international postage and granting enlarged mail facilities. The necessary steps were at once taken to accomplish that object, and I have the satisfaction of announcing that a preliminary basis for a new postal convention has been agreed upon by the two post departments, reducing the international charge on a single letter from twenty-four to twelve cents; admit

The New-York Times.

NEW-YORK, TUESDAY, DEC. 4, 1866.

Amusements this Evening.

WALLACK'S THEATRE,
Broadway, corner 13th-st.
THIS EVENING, commencing at 8 o'clock, THE WONDER! A WOMAN KEEPS A SECRET. Characters by Messrs. Lester Wallack, Charles Fisher, George Holland, A. W. Young, B. T. Ringgold, Miss Mary Gannon, Miss Madeline Henriques, Mrs. Clara Jennings, Mrs. Sodley Brown.

WINTER GARDEN.
Broadway, between Bleecker and Amity sts.
THIS EVENING, commencing at 8 o'clock, RICHELIEU. Edwin Booth in his great role of Armand Jean du Plessis.

OLYMPIC THEATRE.
Broadway, between Houston and Bleecker sts.
THIS EVENING, commencing at 7½ o'clock, THE KING STRIKE and JONES' BABY.

NIBLO'S GARDEN.
Broadway, between Prince and Houston sts.
THIS EVENING, commencing at 7¾ o'clock, an original and grand spectacular Drama, entitled THE BLACK CROOK.

NEW-YORK THEATRE.
Broadway, near 8th-st.
THIS EVENING, commencing at 8 o'clock, GRIFFITH GAUNT; OR, JEALOUSY. Characters by the company.

FOX'S OLD BOWERY THEATRE.
Bowery, between Bayard and Canal sts.
THIS EVENING, commencing at 7½ o'clock, ADRIENNE; Or, THE SECRET OF A LIFE. Characters by Miss Fanny Herring, G. L. Fox, and full company.

NEW BOWERY THEATRE.
Bowery, between Canal and Hester sts.
THIS EVENING, commencing at 7 o'clock, TOM, TOM, THE PIPER'S SON.

THEATRE FRANCAIS,
14th-st., near 6th-av.
THIS EVENING, commencing at 7¾ o'clock, French Opera—DAUGHTER OF THE REGIMENT.

BARNUM'S NEW MUSEUM.
Broadway, between Spring and Prince sts.
AFTERNOON & EVENING at 7½, OLD ADAM, A LARGE COLLECTION OF LIVING WILD ANIMALS, GORDON CUMMING'S COLLECTION. Dwarf, Fat Boy, 250,000 Curiosities.

NEW-YORK CIRCUS.
14th-st., opposite Academy of Music.
THIS EVENING, commencing at 8 o'clock, Robert Stickney, Mlle. DeBerg, and El Nino Eddie. The NEW-YORK CIRCUS TROUPE.

STEINWAY'S HALL,
Nos. 71 and 73 East 14th-st.
THIS EVENING, commencing at 8 o'clock—Second performance of Handel's great Oratorio, SAMSON, by the Oratorio Choir.

KELLY & LEON'S MINSTRELS,
No. 720 Broadway.
THIS EVENING—SONGS, DANCES, BURLESQUES, &c. MATRIMONY, CITY CARS, BLACK STATUE, &c.

FIFTH-AVENUE OPERA HOUSE.
Nos. 2 and 4 West 24th-st.
THIS EVENING, commencing at 8 o'clock, BUDWORTH'S MINSTRELS. A TRIP TO THE MOON.

STUDIO BUILDINGS,
No. 15 West 10th-st.
THIS DAY AND EVENING—EXHIBITION OF FRENCH AND FLEMISH PICTURES.

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NEWS OF THE DAY.

EUROPE.

We have cable dispatches to Dec. 3. The great Reform demonstration in London, yesterday, passed off without disturbance. More troops have been sent to Ireland.

Count BISMARCK has returned to his official duties at Berlin.

The steamship *North America* arrived yesterday from Liverpool, with advices to Nov. 21; anticipated by the cable.

CONGRESS.

The Senate yesterday was called to order by Pres't FOSTER. After the presentation of credentials, Messrs. ANTHONY and NESMITH were appointed the Committee on the part of the Senate to wait upon the President. Mr. SUMNER moved to call up the Senate bill No. 1, an act to regulate the elective franchise in the District of Columbia. The motion to take up the bill was put and decided by the Chairman to be lost. After some discussion, the rule relating to bills of a previous session was read, and it was decided that no bill of the kind could come up till after the 6th day of the session. Mr. CHANDLER introduced a resolution calling upon the President for the following information: Whether the French Emperor has complied with his agreement to withdraw one-third of the French troops in November; whether any number of said troops has been withdrawn; whether, as it appears, no troops have been withdrawn, the French Emperor has offered any explanation of his course; fourth, what action the Government has taken to have the understanding with the French Emperor carried out. The resolution went over. Mr. SHERMAN presented a bill to prevent the illegal appointment of officers of the United States. Mr. WILLIAMS introduced a bill to regulate the tenure of office.

In the House, on calling the roll, one hundred and forty-six members answered to their names. A Committee was appointed to wait upon the President. Mr. ELIOT asked leave to introduce a bill to repeal the thirteenth section of the act of July 17, 1862, which section authorizes the President to grant pardon and amnesty to persons who took part in the rebellion. Mr. FINCK objected, and the rules were suspended. The bill was then passed by a vote of 111 to 29. A resolution was adopted calling for information as to the arrest and escape of JOHN H. SURRATT. A bill was introduced and referred directing the sale of two millions of gold by the Secretary of the Treasury every Monday; also a bill for the meeting of Congress on the 4th of March. Mr. STEVENS introduced a bill to regulate removals from office. It was made the special order of the day for Friday next. On motion of Mr. LAWRENCE, of Ohio, the Judiciary Committee was instructed to inquire into the expediency of providing a mode of procedure in cases of impeachment. The President's message was then received. Mr. STEVENS moved to postpone the reading until to-day, but the motion was lost.

GENERAL NEWS.

The welcome given to the Republican members of Congress yesterday by the loyal citizens of the District of Columbia was an occasion of special interest. A procession was formed, which passed through the principal streets on its way to the Capitol, where the address of welcome was given by Judge CARTER, to which Speaker COLFAX replied. Addresses were made by other members.

The Toronto *Globe* says it is not the intention of the Canadian Government to issue a special commission for the trial of the remaining Fenian prisoners, as was at one time expected. The time of the Judges is too much occupied to admit of it. It is reported, however, that the trials will come off at the January Assizes.

Two men, named CLARK and ADAMS, have been arrested in New-Jersey charged with being implicated in the Hollister bond robbery last September, when $23,000 worth of Government bonds were abstracted from a private residence in Buffalo.

LOCAL NEWS.

The charter election takes place to-day, when a Comptroller, Aldermen and school officers will be elected. The canvass has passed off very quietly, few persons besides the candidates appearing to take any interest in the matter. The office of Comptroller, however, is one of great importance, and no voter should fail to record his preference of candidates at the ballot-box. There are three in the field—Police Justice RICHARD KELLY, MICHAEL CONNOLLY and RICHARD CONNOLLY, Clerk of one of the Courts. Justice KELLY is running upon the platform of "reform," and is indorsed by both wings of the Republican Party, and those associations of citizens which have been organized to oppose corruption in the City government.

Owing to the Municipal election to-day all the State and City Courts adjourned yesterday over to Wednesday, The Federal Courts will probably be in session, there being no statutory law which prevents their holding Court on the day of a Charter election.

On Thanksgiving Day a large number of workmen were engaged in Pearl and Beaver streets laying the rails for a street railroad known as the New-York and Westchester County road. The Police interfered and stopped the work at the time. Yesterday the men resumed work, and continued throughout the day without molestation, it being understood that the Company has a legal charter. A meeting of the property-holders in the vicinity was held yesterday, and it was resolved to prevent the further prosecution of the work if possible. It is said that an injunction restraining the Company has been obtained.

Four or five dastardly scoundrels on Sunday morning, about 2 o'clock, entered the apartments occupied by three sewing women, in Williamsburgh, and robbed them of a quantity of unfinished vests and pants and some ladies' wearing apparel. Before leaving the house the villains ravished all three of the women, maltreating them in a most horrible manner. Two of the ruffians were subsequently arrested by the Police. Their names are JOHN MONAHAN and JOHN MCCORMACK.

The trial of an action of some interest to Fire Insurance Companies has just been commenced in the Supreme Court Circuit, Part III., before Mr. Justice MULLEN and a Jury. The case is entitled EDGAR T. RYDER *vs.* The Commonwealth Fire Insurance Company, and arises out of a fire which occurred in the six-story building, No. 58 Fulton-street, on or about the 4th of June, 1864. The trial will be resumed on Wednesday.

It is announced that WAGNER, convicted of having murdered his wife in July, 1865, in this City, and who was tried, convicted and sentenced the following October, will be brought before the General Term of the Supreme Court to-morrow for a re-sentence. His case has been to the Court of Appeals, but as our readers may remember, that tribunal refused to disturb the previous judgment.

In the Court of General Sessions, yesterday, Recorder HACKETT presiding, JAMES ROBERTSON, *alias* O'Brien, pleaded guilty of burglary in the third degree, and was sentenced to the State Prison for five years. GEORGE WEBER, a youth 17 years of age, pleaded guilty of burglary in the third degree and was sentenced to the Penitentiary for one year. The Court adjourned till Wednesday.

JAMES H. GREATREX, charged with having forged notes on the Union Bank of Scotland and Glasgow, was up before United States Commissioner NEWTON yesterday. The preliminary examination of witnesses at Glasgow was read in evidence and arguments by counsel submitted. The Commissioner reserved his decision.

The steamship *Scotland*, which collided with the ship *Kate Dyer* on Saturday night, lies off Sandy Hook, and it is thought will prove a total wreck. The *Kate Dyer* went down at the time of the disaster, and thirteen lives were lost. The accident is attributed to carlessness on the part of the pilot of the *Kate Dyer*. An investigation of the matter will soon be made.

The new church, to be known as the Church of the Divine Paternity, on Fifth-avenue and Forty-fifth-street, was yesterday solemnly dedicated to Divine worship. The Pastor, Rev. EDWIN H. CHAPIN, preached to a congregation which filled the church, floor and galleries. The services throughout were most imposing in their character.

The law students, examined for admission to the Bar, by the Committee appointed at the November term of the Supreme Court, are requested to meet at the General Term Room, at 9 o'clock A. M., Wednesday, Dec. 5, for the purpose of signing the roll. The oath of office will be administered immediately after the opening of the Court on that day.

An inquest was held yesterday by Coroner WILDEY over the body of THOMAS MULLEN, who died from injuries received on Saturday by a fall at the new *Herald* building. The evidence not being sufficient to criminate the prisoner, PATRICK HANNAGAN, he was discharged by advice of the District Attorney.

Mr. Justice CHARLES MASON, of one of the Western Judicial Districts, will hold the Supreme Court Special Term, during the month of December, on the third floor of No. 73 Duane-street. The calendar is unusually heavy, numbering 387 cases of issues of law and fact and 28 demurrers—total, 415.

Coroner NAUMANN held an inquest over the body of ALEX. CULRASS, who died from a stab wound received on the 24th ult. at the hands of "Bandy" SLAVIN. The Jury held the accused responsible, and a warrant has been issued for his arrest.

The stock of grain in store in New-York and Brooklyn yesterday, included 1,138,234 bushels Wheat, 2,958,960 bushels Corn, 437,058 bushels Rye, 1,516,472 bushels Barley, 2,070,978 bushels Oats, 55,025 bushels Malt and 30,985 bushels Peas.

Two decrees of divorce were granted yesterday by the Supreme Court, Justice SUTHERLAND presiding. The actions are entitled MATILDA MEYER *vs.* ISIDORE MEYER, and JULIANA NICHOLAUS *vs.* JACOB NICHOLAUS.

A moderate business was transacted in Domestic Produce yesterday. Low grades of Flour, Corn and Western Oats were firmer. Hog products were cheaper. Foreign Merchandise was dull and irregular. The freight engagements were fair.

Transactions at the National Drove Yards, One Hundredth-street, were yesterday a trifle more lively than they were one week ago, although most brokers and drovers conceded that there was really no advance in the prices of beef. Some butchers affirmed that dealers asked more for their cattle than they did one week ago, and that they were required to pay higher for what they purchased. Many others, who were extensive dealers, said that beef is really no higher than it was Monday week. The choicest bullocks were selling for 16c. ℔ lb. A very few extras sold for 16½c.@17c. ℔ lb., net weight. The number booked for the weekly supply at the National Yards yesterday, was 2,581. A large proportion consisted of rough oxen, some stags and old, dry cows. Animals of this description sold for 12c.@14c. ℔ lb., net weight. There is but little done in the milch cow market. At Browning's, dealers said there seemed to be a little more activity in the cow market, but no advance in price. The prices of cows sold there ranged $85@$127 ℔ head. Good calves sell readily at 12c.@13c. ℔ lb., live, gross weight. The supply of sheep and lambs is moderate, and transactions are fair, with no advance since last week. The best lots were selling yesterday at 6c.@7c. ℔ lb., live, gross weight; very few, however, sold for 7c. The best fat lambs sell for 7c.@8c. ℔ lb. gross, live weight. The supply is fully equal to the demand. Dealers in swine say they do not know what to state about the market. Heavy, prime, corn-fed hogs were selling yesterday at 6¾c.@6¾c. ℔ lb., live gross weight. The same quality dressed sold for 8¼c.@8½c. ℔ lb. There were about 5,000 hogs in market yesterday morning, and prices are about as low as they should be for the producers to live.

THE REPORT OF THE POSTMASTER-GENERAL.—Those who used to advocate the abolishment of the Post-office Department, and the substitution of Expresses organized by private enterprise for the conveyance of the mails, might study with some advantage the Postmaster-General's report of the operations for the past year. These operations are not only of vast magnitude, but they involve a range of intricate labor, of discretionary power, of diplomatic and financial capacity, which cannot be measured by any ordinary survey, and which is every year extending beyond ordinary means of computation.

The fiscal statement in the report is not to be judged of by a mere reference to the estimates of the current year, or to the revenues accruing or the expenditures incurred during the past year—although, even reduced to that narrow test, the balances show nothing inconsistent with careful and economical management. The exceptional condition of the country when the fiscal year opened, forbade the expectation of anything like a balancing of income and outlay. And yet it is fair ground for felicitation, that after opening up one-third of the old offices closed at the South by the rebellion; after reopening ninety railroad routes in the lately seceded States, of an aggregate length of 8,170 miles, comprising nine-tenths of all the routes in that section of the country; after increasing the routes both North and South by 38,581 miles; after providing new extensions for the Pacific overland mail service; after providing for improved and regular mail conveyance with Venezuela, Brazil and other South American States; after making provision for the expenses of 1,143 new offices within United States territory, and after paying to Great Britain the heavy balance against us under the ill-adjusted postal treaty with that country, now about to expire, the gross excess of expenditures for the year amount to no more than $965,093. Even this deficiency, moreover, is already provided for in the appropriations made by Congress for free mail matter.

The gross revenues of the last year were $14,386,986, and the expenditures $15,352,079. For the current year—looking to the number of new postal routes in the South that have yet to be opened up, and to the extension of the foreign service—it is not surprising to find even a still larger contemplated deficiency in the estimates of the Department.

The home contracts of the Department are of such vast extent that it is almost impossible to group them under any summary of headings. And new postal treaties with foreign Powers are being framed at a rate which may be partially understood by noting that the number of letters exchanged with foreign communities during the year was 9,430,540, giving an increase, *in the exchanges with Great Britain alone, of twenty-five per cent.* in the business of the twelve months reviewed in the report.

The labor of the Dead Letter Office would be *alarmingly* large—four and a half millions being registered and revailed during the year—but for the announcement that seventy-seven per cent. find their way back to the senders, while ninety per cent. of those containing sums of money of a dollar and upward are returned to their owners by the care and laborious effort and honest handling of the officers employed. The progress of the money-order branch of the Department will be seen to be, financially and otherwise, most healthy and satisfactory. But this great experiment in the postal service is one which demands a separate and more extended notice than can be given in any cursory review of the year's operations. Altogether, the report embodies a survey of departmental labor and administrative skill which is extremely gratifying, and which gives the highest assurance of constantly increasing efficiency.

The President's Message.

President JOHNSON'S Message has the merit of comparative brevity. It discusses the aspect of the restoration question, embodies the salient points of the Departmental reports, offers suggestions on minor matters of practical legislation, and glances at our foreign relations—all with moderation and good temper, though not with uniform good taste.

On the exciting question of the day—the restoration of the Southern States and the relation of the Executive to Congress—the President has disappointed those who anticipated a change of tone or position. He has neither modified his views not given any indication of a readiness to concede aught of principle or policy to the demands of the governing States and Congress. He reviews the bearings of the question precisely as he reviewed them more than once during the last session. He recites his acts in regard to the earlier stages of reconstruction, and the acts of the Southern States in compliance with his own requirements and the requirements of Congress. He alleges that Congress, by its measures, has recognized the existence of these States as States, and argues that their right to representation is indefeasible. He contends that the right of each House to judge of the elections and qualifications of its own members is an adequate safeguard against the admission of disloyal men: and he maintains that the exercise of this right is all that either House may constitutionally do in the premises. He urges the immediate admission of "loyal members from the now unrepresented States" as a measure "imperatively demanded by every consideration of national interest, sound policy, and equal justice." And he appeals to maxims of WASHINGTON, JEFFERSON and JACKSON to show that the course he recommends is in conformity with the lessons of illustrious statesmen.

It will be seen that the President offers nothing new. His statement of the case is a reiteration of the statement heard many times within the last nine months; his arguments have all been used before; and his recommendation is chiefly noticeable as evidence that he has learned nothing from the elections, and forgotten nothing in connection with his struggle with Congress. The pending Constitutional Amendment is not noticed in the Message, though of course the tenor of the whole argument is adverse to the principle on which the measure rests, and the purposes it is intended to serve. Negro suffrage, universal or qualified, is passed over untouched, and there is not the remotest allusion to an amnesty. In no respect does the President attempt to meet, or even indirectly to recognize, the recent manifestations of public opinion throughout the States which elevated him to office. On the contrary, he explicitly declares that his "convictions, heretofore expressed, have undergone no change," and that "their correctness has been confirmed by reflection and time."

This exhibition of unyielding purpose on the part of the President may not occasion surprise to those who know the firmness of will which marks his character. We cannot but consider it, however, a serious error of judgment, and a source of difficulty which we would gladly have seen averted in the session now opened. It has suited the Democratic Press to belittle the significance of the recent elections; but only something a little short of judicial blindness can have led Mr. JOHNSON to rely upon the Democratic rendering of popular opinion. He, of all men, should be able to estimate correctly the import of the verdict pronounced at the polls. He cannot complain of having been misrepresented or misunderstood. He was the exponent of his own case—the active, energetic champion of his own cause. He submitted his policy, in contradistinction to the policy of Congress, to the people of the North and West, everywhere avowing confidence in the rectitude of their intentions and in the sagacity of their judgment. When they decided against him, therefore—when they repudiated his policy and ranged themselves on the side of Congress—it became his duty, not indeed to abandon his convictions, but to accept the will of the people as the law of his Administration, and either to withdraw all opposition to the Congressional plan, or to propose some new basis of adjustment. By neglecting to pursue one or the other of these courses he has lost the last opportunity of effecting a reconciliation with the great majority of the party that elected him, and has furnished a weapon to his adversaries which they will wield to his detriment.

The South, already obstinate to the verge of insolence, will plead the weight of the Executive example. North Carolina has just exemplified its fitness for restoration by electing a conspicuous rebel, Judge MANLY, to the Senate. Alabama has illustrated its abounding loyalty by choosing as United States Senator another conspicuous rebel—Ex-Governor WINSTON. Texas testifies to its acceptance of the situation by tolerating—according to Gen. SHERIDAN—the killing of freedmen as of no more moment than the killing of dogs. And this state of things, bad as it is, and widespread as it seems to be, will grow worse under the influence of the feeling that the President is on the Southern side, and is fighting Congress in their behalf.

The Radicals in Congress, meanwhile, are not slow to avail themselves of the pretext which the Message affords them. In a day or two the appointing power in his hands will be reduced to a nullity, and the power to pardon under the Amnesty Act will be revoked. How much further the attack upon his position may be carried, we venture not to prophesy. Enough that this renewal of the argument against the policy of Congress will assuredly be used to feed and intensify a most disastrous conflict of authority.

Of the President's suggestions on other subjects the most important are those pertaining to the application of checks upon the land-grant system in aid of internal improvements, and to the repair of the Mississippi levees. He also recommends that the District of Columbia be permitted to enjoy a quasi-territorial representation in Congress, and to elect a delegate with a view to the better understanding of local wants.

Prominence is given to the Mexican question at present suspended between Congress and the Southern States, and without the further control of the Executive.

The Secretary believes that with these steps in the direction of currency contraction; a more healthy foreign trade; of foreign loans at a low rate of interest and not subject to be returned upon our markets, at inopportune periods, we may look for specie payments by 1st July, 1868. Meanwhile he would have Congress enlarge his present authority to contract the greenback circulation to $6,000,000 per month until 1st July next, and after that for the succeeding fiscal year to $10,000,000 per month, in his discretion, but wisely adding that "*no determinate scale of reduction would, however, in the present condition of our affairs, be advisable.*" He would simply settle the *policy* of contraction, and leave the *process* to be shaped to avoid all risk of a financial panic and all embarrassment "to those branches of industry and trade upon which our revenues are dependent." And we must do the Secretary the justice to say that a more satisfactory or comprehensive saving clause to his recommendations could not have been framed. It is equally consistent with his own official antecedents, with the known views of Congress, and the convictions of three-fourths the industrial and trading interests of the country.

The Treasury Report.

The present annual report of Secretary MCCULLOCH is certainly a most encouraging exhibit of the finances and resources of the Government. It so far exceeds his calculations or estimates of last December as to lead to the inference that his excessive caution is made to overshadow his business judgment. We expressed the belief a year ago that he had greatly underrated his revenues for the nine months of the late fiscal year, and overrated the probable expenditures of the same period. His present report opens with the virtual confession of an error of $89,305,000 in the former, and an overestimate of $200,609,000 in the latter. Instead of requiring $112,000,000 by way of new loans to carry him through the nine months, he found himself on the 30th June last *plus* $178,000,000. We are pleased to see that these errors, on the right side, are referred to in the Message of the President as demonstrating, first, the ability of the country to contribute much larger revenues than the Secretary ventured to estimate for, and secondly, the facility with which a free Government can reduce its expenditures from a War footing to a Peace establishment. Of course the difference between the actual and estimated results of the late Fiscal Year added very materially to the reduction of the Principal of the Public Debt. From the maximum of $2,757,000,000, as given in the report as on 31st of August, 1865, (after deducting cash balances in the Treasury,) to the 31st October, 1866, a period of ten months, this reduction amounts to $206,000,000. These facts, the Secretary may well add, are conclusive of the greatness of our resources, and the unwillingness of the people to suffer our large debt to remain a perpetual incumbrance upon the country.

The second remarkable point in the present report is the further virtual confession of widely mistaken estimates of last December for the current fiscal period, July 1, 1866, to June 30, 1867. He then placed the gold customs at $100,000,000 for the entire year. He now acknowledges the receipt of $50,843,000 for the first quarter of the year, and calculates over $110,000,000 more for the remaining three-quarters. He estimated the currency taxes, (exclusive of miscellaneous receipts,) at $275,000,000. He received in the first quarter $99,506,000, and calculates on $186,000,000 for the remaining three-quarters.

On the other side of the budget for the current year, $38,000,000 are added to the expenditures of the Government in the present estimates, chiefly by reason of the Bounty Act of July last, of course not taken into the account last December. But taking the actual figures of the first quarter, and estimates for the remaining three-quarters, as in the present report, on both sides the financial exhibit for the year ending 30th June, 1867, the resulting balance applicable to the reduction of the principal of the public debt would seem to be $150,000,000, exclusive of the cash balances in the Treasury on the 1st July last, amounting to $132,887,000. During the first quarter of the year $69,771,000 was applied to this object, and the estimates for the remaining three quarters, including $142,418,000 still in the Treasury on 1st October, would leave applicable to the same object about $212,000,000 additional.

The whole difference, in favor of the debt and revenues of the Government, between the report of last December and the present report, for the period of twenty-one months—to wit, from the 1st October, 1865, to 30th June, 1867—is, in round numbers, about $325,000,000, the whole of which we should hope to see applied to the reduction of the principal of the public debt, as more than one-half of it has already been so applied.

Turning from the important exhibits of the report to its recommendations, we find a reiteration of the opinions or theories of Mr. MCCULLOCH, as first made public in October, 1865, at Fort Wayne, and repeated, substantially, in his report of last December. But we also find the same characteristic caution and carefully interpolated suggestions as to the practical difficulties in the way of speedily carrying them out. It is well for the trade and general living interests of the country, and especially fortunate for the revenues of the Government and their continued efficiency for the support and reduction of the public debt, that the Secretary, without reference to his opinions of sound finance, or to his theories of paper currency, practically directs the Treasury, as a sensible banker should do, with all deliberation, and with the strictest adherence to the financial circumstances and opportunities that surround him. In other words, he does promptly what he *can do* without attempting to hasten what he *would do*, under different auspices.

This being the *official* characteristic of Mr. MCCULLOCH, the public can readily afford to accept his *personal* views of what our currency and revenues and foreign trade should be, as meant in all kindness, in all "conservatism," and at the same time in all caution, as to their speedy enforcement. Indeed, he is candid enough to admit that "nothing is more certain than the fact that there can be no permanent resumption of specie payments in the United States until the balances between them and other nations can be made easy." This state of things he conceives cannot be effected without certain changes in our financial and political policy, which changes, as suggested in the report, may be summed up thus: 1. National Bank note redemption exclusively in New-York; which, we dare say, will not be assented to by Congress until we make much closer approaches to specie payments than at present. 2. Curtailment of the currency to the amount required by "legitimate and healthy trade"—terms of such indefinite interpretation, under present circumstances, as to neutralize the whole force of this suggestion. 3. Revision of the Tariff and Internal Revenue Laws, with a view to harmonizing the two systems, about which opinions in Congress will probably differ as widely as on the preceding recommendation. 4. In the issuing five per cent. sterling bonds, interest and principal payable in London or Frankfort; to float which, at this reduced rate, would of course require an easy market on both sides the Atlantic, and all forbearance of specie payments for some time to come. 5. The complete rehabilitation of the South, a question, and to the failure of LOUIS NAPOLEON to carry out the arrangement of April last, in reference to the withdrawal of the French troops. One detachment should have embarked in November; but the Emperor of France has since resolved, without notice or explanation, to defer action until the ensuing Spring, when the whole are to be withdrawn in a body. The Message intimates that our Government has made known its disapproval of this change of the Imperial policy, and the hope is expressed that France will reconsider the subject and "meet the just expectations of the United States." No allusion is made to the talked-of protectorate, the entire action of our Government being ascribed to a desire "to exercise whatever influence we possessed for the restoration and permanent establishment" in Mexico "of a domestic and republican form of government."

The differences with Great Britain, arising out of the depredations of the rebel pirates, are the subject of a suggestive paragraph. The fact that "no considerable advance has been made toward an adjustment" is noted; though it is conjectured that the delay has in a great degree resulted from the embarrassments of British domestic politics. Whatever encouragement the President feels at liberty to express centres in the remark "that there is some reason to expect" that our claim "will now be considered in a becoming and friendly spirit." The closing sentence of the paragraph may be advantageously pondered by Earl DERBY and his colleagues. It is indeed manifest that "good-will and friendship between the two countries cannot be established until a reciprocity in the practice of good faith and neutrality shall be restored between the respective nations."

The Fenians receive a passing mention. The plea for clemency and amnesty, so far as the prisoners held by the Canadian authorities are concerned, may be construed into a dexterous hint in support of the President's home policy; and the effort at palliating the Fenian invasion of Canada by pointing to the trials and tribulations of Ireland will hardly please critics on the other side of the Atlantic.

We deem it probable that the foreign portion of the Message will, as a whole, prove unpalatable to those whom it directly concerns. Neither France nor Great Britain will indulge in ecstacies on the occasion. But that nothing very alarming is feared in Wall-street may be inferred from the remarkable steadiness of the market for gold and national securities yesterday after the contents of the Message had become known.

The Report of the Secretary of the Navy.

The operations of the Navy during the year have not been of a slow or unimportant character, although there has been nothing to call for warlike action, unless we are to suppose that Admiral BELL has been administering some chastisement to the Chinese ruffians who assaulted our Consul-General at New Chwang. Our flag has been shown in every quarter of the globe, and the best vessels of the different squadrons have visited the chief ports of all the great maritime nations, and every commercial station of any consequence in both hemispheres. Excepting to complete contracts, entered into before the close of the war, the work of construction in the different Navy-yards has been almost entirely suspended. The Secretary sums up the present strength of the navy, as follows:

	Number.	Guns.
Vessels in squadron service	69	694
Vessels in special service	9	83
Vessels on service at home stations, including receiving-ships, Naval Academy, Navy-yard duty, &c.	37	252
Total number of vessels in commission	115	1,029
Iron-clad vessels laid up	54	147
Iron-clad vessels not completed	7	40
Steam vessels not completed	19	386
Sailing vessels not completed, (old line-of-battle ships,)	2	—
Wooden vessels laid up, repairing, fitting for sea, and for sale	81	749
Total number of vessels and guns	278	2,351

The total number of persons in the naval and coast survey service is about 13,000 men.

Of the vessels in the squadron service, we have had on the Eastern coast of Asia and Africa, during the year, eight vessels, under command of Rear-Admiral BELL—including the famous *Hartford* (flagship.) To this fleet has been assigned, among other commissions, the duty of visiting all the open ports of China, and hunting down—wherever found—as many as possible of the pirates that infest the Chinese waters. The North Atlantic Squadron, under Rear-Admiral PALMER, has had a pleasant Summer's cruising at and around the fishing grounds on the Northeastern coast, after having taken a survey of events at the Antilles and other tropical latitudes. The Fishery question, which it was feared *might* give rise to collisions on what has been claimed as British maritime ground, caused Admiral PALMER no anxiety whatever. For the Secretary says: "*The liberal and conciliatory policy of the British Government dissipated all apprehended difficulties.*"

The South Atlantic Squadron has done duty mainly on the west coast of Africa and on the east coast of South America. It numbered eight vessels, the flagship being the *Brooklyn*. The North Pacific Squadron has been principally engaged in the grateful task of aiding in the laying of a cable on the Northwestern Coast; while the South Pacific fleet, under Commander RODGERS, had a short *sight* of something like active service during the bombardment of Valparaiso. The Secretary repeats his formal approval of the abstinence of Commander RODGERS from active interference in the quarrel between the Spaniards and the Chilians. The Gulf Squadron has had to do watch duty on the Eastern coast of Mexico, and ten vessels were employed in that necessary duty. The movements of the European Squadron—the most important of all—under Admiral GOLDSBOROUGH, are familiar to most of our readers. Like the others, it has not slept at anchor, but made it a duty to show the flag at as many points as possible.

DEATH OF LADY HOLLAND.—Sir HENRY HOLLAND, who passed his Summer vacation in America, was bereaved of his wife a few days after his return to London. The deceased lady, who had passed the Summer at a water-side cottage, was seized with apoplexy the day after her arrival at home. She survived but forty-eight hours in an unconscious state. The attack was unexpected. Lady HOLLAND was daughter of SIDNEY SMITH.

FOR COMPTROLLER.—Among the three candidates for this office there is but one Union Republican citizen. Justice KELLY is a native of New-York, trained to habits of business, largely interested in the financial affairs of the City and country, and his election would insure ability and fidelity in the Comptroller's Department.

EXPLANATORY.—The paragraph in yesterday's TIMES concerning the visit of two ladies of the President's household to this City, found its way into our columns through inadvertency. It was so evidently the ebullition of personal malice and spleen as scarcely to require further notice. The imputations which it contained upon the Collector of the port as well as upon the ladies named are utterly without foundation.

SCHOOL TRUSTEE FIFTEENTH WARD.—In the Fifteenth Ward JAMES D. OLIVER is the regular Republican candidate for the office of School Trustee. He has been in the Board for twenty-two years, has given entire satisfaction, and proved himself in every respect a faithful and incorruptible public servant. To his active energy the citizens of the Fifteenth Ward are largely indebted for their very excellent schools.

SCHOOL ELECTION.—SMITH BLOOMFIELD, Esq., is the candidate for School Commissioner from the First District, and we urge every voter, whatever may be his party, to sustain him. Mr. BLOOMFIELD is an honest, educated man, has had much experience in school matters, and will work for the best interests of our free schools.

EXTENSIVE CONFLAGRATION.

Three Buildings on Canal-street and Four on Walker-street Greatly Damaged—Aggregate Loss Occasioned by the Flames Fully $300,000.

Precisely at 4:30 o'clock yesterday afternoon the fire bells rang out "No. 147," as a signal that a fire was raging near the corner of Howard and Centre streets. At the same moment a huge column of smoke could be seen rising in the direction of Canal-street, and the crowds of homeward-bound citizens directed their steps thitherward. The flames were first discovered on the third floor of No. 100 Walker-street, among some cotton batts and loose cotton which had been stored there about two weeks ago, and they progressed toward the roof with great rapidity. So quick did the fire gain headway, that the upper part of the entire building, consisting of Nos. 98, 100 and 102 Walker-street, was in flames. The firemen worked well, though their efforts seemed unavailing. Before the fire was extinguished the flames extended into Canal-street, where considerable damage was occasioned. The building on Walker-street was occupied by a large number of tenants, who were manufacturers of all sorts of patent goods and articles of trade. The tenants—wood turners, machinists, card printers, cabinet-makers, carpenters, engravers and patent agents—have suffered heavy losses in the aggregate, though no proper estimate can be made at this time.

The building adjoins the large brick building on Canal-street, and No. 98 Walker runs through and forms part of No. 250 Canal. The entire series of buildings are furnished with steam power from one set of boilers, the shafts running through each party wall. The flames had by these means easy access to every story, and this fact explains the rapid spread of the fire.

The following are the tenants in the buildings destroyed:

No. 98 WALKER—Basement and first floor, occupied by HEYMAN & Co., matress-makers; second floor by E. SHUT, cord and tassel manufacturer; third by GEO. TENCKES, turner; fourth by E. BELLING, maccaroni; fifth by JACOB SCHULTZ, weaver. All these tenants sustained heavy losses.

100 WALKER-STREET—Basement damaged by water, rest total loss. First floor occupied by RICHARD DAVIS, shirt-maker; second floor by WOODWARD & HANFORD, looms manufacturers; third floor by W. T. Y. SCHENCK & Co., manufacturers of cotton batts, where the fire originated; fourth floor by E. VAREY, printer, and fifth floor by JOHN J. BIRMINGHAM, frame maker, and STOUVENEL & Co., glass cutters.

No. 248 CANAL—Basement and first floor by ROBT. GRANT, calcium light manufacturer; severe damage by water. Second floor by JOSEPH SCHNEIDER, tobacco; damage by fire and water. Third floor by HILL & Co., hoop skirts; fourth floor by HIRAM HUSTEN, paper collar manufacturer, whose loss is estimated at $30,000; insured for $12,000 in the Metropolitan, Albany City, Hope of Providence, Kensington of Philadelphia, and other companies. Fifth by ED. CORBETT, photograph instrument maker; damaged by fire and water.

No. 248 CANAL—Basement and first floor, by BISSELL & Co., uphostery; second floor, by JOSEPH SCHNEIDER, tobacco; third floor, by ALEX. MCVEY, model manufacturer; fourth, by HIRAM HUSTEN, paper collars; fifth, unoccupied.

No. 250 CANAL—Basement and first floor, by HEYMAN & Co, mattresses; second and third floors, by WM. BOGGS, paper collar manufacturer; fourth floor, by SCHREVER & CREES, tassel manufacturer, damaged by fire and water; fifth, by DEFREUX & Co., wood turners.

No. 252 CANAL—Basement occupied by WHITMAN & PORTER, gas fitters; first, second and fifth floors by JOHN HORTON, gas fixtures; third floor by ADAM STUART, machinist; fourth floor, by ROBBINS & BRITTAN, ladies ruffle manufacturers.

No. 244 CANAL—The first floor, occupied by WM. GARDNER, iron furniture; loss considerable by water.

The buildings belong to the John J. Jay estate and are greatly damaged. Those on the Walker-street side, Nos. 98, 100 and 102, are completely gutted. The upper floors of Nos. 246 and 248 Canal-street are destroyed, as are also those of No. 252, while the whole of No. 250 fell a victim to the devouring element. The total loss on these buildings is roughly estimated at $95,000, upon which there is a partial insurance.

By 5:30 o'clock the flames were under the command of the firemen, and their further progress prevented. The fire attracted a large concourse of citizens, who dispersed at nightfall, when the flames had lost their dereciless. The Police Reserves from the Sixth, Eighth, Fourteenth, Fifteenth and Fifth Precincts were on the ground and kept the crowd in order. The scene in Canal-street during the earlier stages of the fire was a busy one, and the pavement in front of Earle's Hotel was piled high with a miscellaneous collection of merchandise and fixtures.

The aggregate loss occasioned by this disastrous conflagration is estimated at $300,000 in round figures, and would have been far greater if the fire had occurred at a later hour. A fire occurred in this building about a week ago, and it is thought that the present fire is a natural sequence to that.

Other Fires Last Night.

Alarms were given last night for fires at No. 827 Broadway, and No. 471 Third-avenue, and the corner of Fourteenth-street and First-avenue. None of these resulted in any serious damage of loss.

MEETING OF CONGRESS

Unusually Large Attendance of Members.

The Tennessee Representatives Admitted.

Reading of the President's Annual Message.

The House Repeals His Pardoning Power.

Bills Regulate and Control

President may have to say, that it was with great difficulty that the House restrained itself from doing one or two undignified things.

SECRET SESSION OF THE SENATE.

The galleries of the Senate Chamber were crowded to-day some time before the Senate convened, and so continued until the close of the session, which lasted about two hours and a half. The credentials of the new Senators from New-Jersey, New-Hampshire and Vermont, were severally read, and these new members, Messrs. FRELINGHUYSEN, CATTELL, FOGG, POLAND and EDMUNDS, were sworn and took their seats. The session was remarkably quiet and free from excitement.

FREE SUFFRAGE.

Mr SUMNER introduced and sought to have passed his Suffrage Bill for the District of Columbia, but Mr. MCDOUGAL objected, and it went over.

TENURE OF OFFICE.

Two bills to regulate the tenure of office were introduced severally by Senators SHERMAN and WILLIAMS, and ordered to be printed.

PARDONING POWER.

At 1:30 o'clock a message was received from the House announcing that that body had passed an act repealing the thirteenth section of the law empowering the President to grant amnesty and pardon to rebels. An effort was made to pass this bill in the Senate instanter, but Mr. SAULSBURY objected, and the bill goes over, to be taken up perhaps to-morrow.

THE MESSAGE.

At 1:35 the President's Message was announced, and the Clerk proceeded at once to read it. A few minutes after the reading the Senate adjourned.

HOW THE MESSAGE IS RECEIVED.

The President's Message is regarded even by the most radical of the Republicans as a dignified, temperate document. The chief criticism upon it is that it fails to take any notice of the voice of the people, and inasmuch as it ignores that potent influence, it and its author should be ignored in return.

NEW BOUNTY BILL.

Gen. SCHENCK intends to introduce to-morrow a new Bounty Bill in place of the existing law. Its chief feature will be to enlarge the number receiving the bounty and deducting the amount of bounty in each case paid by the local authorities.

VISITING THE PRESIDENT.

Senator TRUMBULL to-day called upon the President and had a lengthy interview with him. The Judges of the Supreme Court also called in a body and paid their respects to the Executive. To-night Vice-President FOSTER was with Mr. JOHNSON for a out an hour. Several Republican members of the House also visited the White House to-day.

THE SUPREME COURT.

The United States Supreme Court met in their chamber at the Capitol to-day at noon. All the Justices were present save Justice GRIER, who is confined to his home by paralysis. After a short session the Court adjourned to pay their customary visit of courtesy to the President.

SENATE CAUCUS.

The Republicans of the Senate met in caucus after the adjournment of that body, but only a few being present, no business was done, and they adjourned until to-morrow.

CORRECTION.

In speaking of the political complexion of the Tennessee members yesterday, I classed Mr. HAWKINS as a Democrat, which was an error. He voted to-day with the Republicans. The delegation is equally divided—four Republicans and four Democrats.

PERSONAL.

Mr. WALTER, M. P. and proprietor of the London *Times*, is still in the city, and was present at the Capitol to-day. RISTORI and family were also among the spectators. Hon. J. W. FORNEY gives a reception to-morrow evening at his residence in honor of Mr. WALTER.

HOW THE MESSAGE WAS STOLEN.

As I intimated last night, the seal of the President's Message was broken and copies hawked about the streets, both here and in Philadelphia. There is good reason for saying that this outrage was the result of trusting an irresponsible news agency with the document.

THE WELCOME TO CONGRESS.

Interesting Proceedings.

Special Dispatch to the New-York Times.

WASHINGTON, Monday, Dec. 3.

Carrying out the programme arranged for the mass welcome to Congress, the members of the Soldiers' and Sailors' Union, the Republican Association of the District of Columbia, the Union League of this city, the Union League from Alexandria, a portion of the City Council of Baltimore, the Colored Soldiers' and Sailors' Union and Radical Lincoln Club, two companies of Colored Independent Zouaves and political organizations of the colored citizens of the different wards of the city, including the Sumner and Lincoln Councils, assembled at the City Hall this morning and formed a procession under the marshalship of Gen. GERHARD, numbering nearly 3,000. At the head of the different organizations were bands of music, drum corps, and accompanying it in an omnibus and several carriages were disabled soldiers and a baker's dozen of Southern Unionists. R. KING CUTLER, of Louisiana Convention notoriety, being the most prominent among the latter. The line of march was through the principal streets of the city and past the White House, down Pennsylvania avenue to the east front of the Capitol, where Judge CARTTER delivered the address of welcome, and Speaker COLFAX responded in behalf of Congress. The crowd in attendance upon the addresses numbered about six thousand, mostly composed of freedmen, women and children, who were boisterous in their cheers of approbation. The day was propitious, a warm sun shining until late in the afternoon, rendering the weather all that could be wished for in the way of comfort. The sidewalks of the streets through which the procession marched were lined with people, and accompanying the procession were several thousand freedwomen and children, who were only held in check by the presence of a considerable Police force which had been specially detailed to prevent any attempt at interference from the crowd. A noticeable feature of the occasion was the absence from the procession of prominent Radicals, who have, up to-day, been loud-mouthed in praises of the effort. The freedmen in the column outnumbered the whites ten to one, and were, in fact about the only participants who seemed to be there from promptings other than a desire for office. They did the marching and cheering, and all of the actual enthusiasm of the occasion, and then quickly dispersed, leaving their white friends to gorge themselves at the banquet, toward which some of them have not been backward in contributing. The Southern loyalists, who rode in carriages, seemed to enjoy the affair hugely, while their brethren on foot, representing all the Southern States except South Carolina, were evidently astonished to find themselves with such a contemptibly small squad of white sympathizers. Their anticipations of a grand mass welcome were disappointed if they expected any overwhelming turn-out of white Radicals except at the supper-table. The banquet was a partical success, but lacked system. Waiters were too few and far between. The majority of the Radical members of Congress were present, and STEVENS, HOWE, WILSON, KELLEY and BLOW responded to toasts. During STEVENS' speech a member of the Baltimore Council used words to which Gen. BANKS took exception and mildly expostulated. The Baltimorean, a little the worse for liquor, thereupon proclaimed his intention of whipping the General in true Plug Ugly style, and probably would have succeeded if Hon. N. P. DOLE, Ex-Commissioner of Indian Affairs, had not interfered and caused the arrest of the belligerent parties.

THIRTY-NINTH CONGRESS.

SECOND SESSION.

SENATE....Monday, Dec. 3, 1866.

The Senate was called to order at 12 o'clock to-day by President FOSTER *pro tem.*

Prayer was said by the Chaplain, Rev. Dr. GRAY, of the Baptist Church.

SENATORS PRESENT.

The following Senators were present—Anthony, Cattell, Chandler, Conness, Cragin, Creswell, Davis, Dixon, Doolittle, Edwards, Fessenden, Foster, Fowler, Frelinghuysen, Grimes, Harris, Howard, Howe, Johnson, Kirkwood, Lane, Morgan, Morrill, Nesmith, Norton, Poland, Pomeroy, Ramsey, Ross, Saulsbury, Sherman, Sumner, Trumbull, Van Winkle, Wade, Wiley, Williams, Wilson and Yates.

SENATORS ABSENT.

Brown, Buckalew, Clark, Cowan, Guthrie, Henderson, Hendricks, McDougal, Nye, Riddle, Sprague and Stewart.

The Chair laid before the Senate the credentials of Mr. POLAND, elected to fill the unexpired term of Mr. COLLAMER, till March 4, 1867. Also the credentials of Mr. EDWARDS for the unexpired term of Mr. FOOTE, till March 4, 1869.

Mr. FESSENDEN presented the credentials of Messrs. CATTELL and FRELINGHUYSEN, the former Senator elect, the latter Senator appointed from New-Jersey, who took the oath of office.

Mr. CRAGIN presented the credentials of GEORGE G. FOGG, appointed to fill the vacancy occasioned by the resignation of Mr. CLARK whose term expires on the 4th of March, 1867.

Mr. JOHNSON presented the credentials of DAVID G. BURNETT and O. M. ROBERTS, Senators elect from Texas, which were ordered to lie on the table.

PRESENT BUSINESS.

Mr. ANTHONY presented the following resolutions which were severally adopted:

That the Secretary inform the House that a quorum of the Senate is assembled.

That the hour for meeting of the Senate be 12 o'clock until otherwise ordered, and that a committee of two be appointed to join a committee of the House and wait upon the President to receive his Message.

SWORN IN.

W. O. FOGG, Senator appointed from New-Hampshire came forward and took the oath.

COMMITTEE TO WAIT UPON THE PRESIDENT.

Messrs. ANTHONY and NESMITH were appointed the Committee on the part of the Senate to wait upon the President.

FRANCHISE IN THE DISTRICT.

Mr. SUMNER said if there was no business before the Senate, he would move to call up the Senate bill, number one, an act to regulate the elective franchise in the District of Columbia.

The motion to take up the bill was put, and decided by the Chair to be lost.

Mr. SUMNER—One word before that vote is taken. It will be remembered that this bill was introduced on the first day of the last session, and that it was the subject of repeated discussion in this chamber, and that it was more than once referred to the Committee on the District of Columbia, by whose Chairman it was reported back to the Senate. At several different stages of the discussion we were told we were about to reach a final vote. The country expected that vote; it was not had. It ought to have been had, and now, Sir, I think that the best way is for the Senate, in this very first hour of its coming together, to put that bill on its passage. It has been thoroughly debated; every Senator has made up his mind on the question. There is nothing more to be said on either side. So far as I am concerned, Sir, I am perfectly willing a vote should be taken without one further word of discussion, and I think that the Senate ought not to allow the bill postponed. We ought to seize this first occasion to put the bill on its passage. The country expects it. The country, Sir, will rejoice and be grateful, and you will signalize this first day of your coming together by this beautiful and gracious act.

Mr. MCDOUGAL inquired if Mr. SUMNER wished to press this question to a vote to-day. If he (SUMNER) would name a day when it might be called up for discussion he would agree to have such an understanding; but he knew of some Senators who wished to debate the matter, and who were not here to-day.

After further discussion Mr. JOHNSON raised a question of order, whether the bill was properly before the Senate under the rules.

The rule relating to bills of a previous session was read, and it was decided that no bill of the kind could come up until after the sixth day of the session.

So the bill to Regulate the Elective Franchise in the District of Columbia went over for the present.

MESSAGE FROM THE HOUSE.

At 12:30 o'clock Mr. MCPHERSON, Clerk of the House, announced that the House was ready to proceed to business, and had appointed Messrs. Morrill, Washburne and Fink to wait on the President.

THE FRENCH IN MEXICO.

Mr. CHANDLER introduced a resolution calling upon the President for the following information: Whether the French Emperor has complied with his agreement to withdraw one-third of the French troops in November; whether any number of said troops have been withdrawn; whether—as it appears no troops have been withdrawn—the French Emperor has offered any explanation of his course; fourth, what action the Government has taken to have the understanding with the French Emperor carried out.

Mr. SUMNER objected to the resolution, and requiring unanimous consent, it went over.

NAVAL APPRENTICES.

Mr. MORGAN gave notice that he should, at an early day, introduce a bill in relation to the employment of naval apprentices in the commercial marine of the United States.

THE PUBLIC PRINTER.

Mr. LANE offered a resolution instructing the Committee on Printing to inquire into the expediency of making the office of Superintendent of Public Printing elective by a concurrent vote of both Houses.

The Chair said it could not go to the Committee as no committee had yet been formed.

So it was ordered to lie on the table for the present.

PAY OF A DECEASED SENATOR.

Mr. POMEROY introduced a resolution, which was adopted, instructing the Secretary of the Senate to pay to the widow of JAS. H. LANE the amount due the deceased as Senator.

APPOINTMENTS TO OFFICE.

Mr. SHERMAN presented a bill to prevent the illegal appointment of officers of the United States, as follows:

Be it enacted by the Senate and House of Representatives of the United States in Congress assembled:

SECTION 1. That no money shall be paid from the Treasury of the United States to any person who having been nominated for any office and been rejected by the Senate and subsequently appointed to that office by the President, for salary fees, perquisites or expenses accruing after the close of the session of the Senate during which his nomination was rejected. And if any person shall appoint, or sign or prepare such appointment or commission, or if any person so rejected and reappointed shall hold or exercise the functions of the office for which he was rejected by the Senate, after the close of the session of the Senate at which he was rejected, or if any accounting or disbursing officer shall allow pay to any person so rejected of any salary, fees, perquisites or expenses accruing after the close of the session of the Senate at which he was rejected, he shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined not exceeding $10,000, or at the discretion of the Court shall be imprisoned not more than five years.

SEC. 2. That it shall be the duty of all Courts of the United States having jurisdiction of criminal offences to give this act specially in charge to Grand Juries organized in such Courts.

The above was ordered to lie upon the table until the committees are appointed.

Mr. WILLIAMS introduced a bill to regulate the tenure of offices, as follows:

1. That any person, excepting heads of the Departments, holding any office to which he has been appointed by and with the advice and consent of the Senate, and any person who shall hereafter be appointed in the same manner to any office, and shall become duly qualified therefor, is and shall be entitled to hold said office respectively, until a successor in like manner is appointed and duly qualified, unless otherwise provided by law.

2. When any officer appointed as aforesaid, excepting Judges of the United States Courts, shall, during the recess of the Senate be guilty of misconduct in office, or for any reason shall become unable to perform its duties, in that case and no other the President may appoint a person to fill said office by granting him a commission that shall expire at the end of the next session of the Senate, but the evidence and reasons for the action of the President in such case shall be in writing and filed in the proper department for inspection, and the President shall also have power in like manner to fill all vacancies that may happen during the recess of the Senate, by death, resignation or expiration of term of office, and not otherwise; but no appointment shall be made without the advice and consent of the Senate to any office thus filled as aforesaid after the session of the Senate at which the temporary commission therefor shall expire. Provided, that this act shall not apply to or interfere with any rules made by Congress for the government and regulation of the land and naval forces.

The above was ordered to lie upon the table till Committees are appointed.

RECESS.

At 12:45, on motion the Senate took a recess till 1:15.

REPORT FROM THE PRESIDENT.

At 1:20 P. M. Mr. ANTHONY, on behalf of the Committee to wait upon the President, informed the Senate that the Committee had discharged the duty entrusted to it, and that the President would communicate with the two Houses in writing immediately.

MESSAGE FROM THE HOUSE.

A message was received from the House of Representatives announcing the passage of an Act to repeal section 13 of an act to suppress insurrections, etc.

While the Senate was waiting for the President's Message

Mr. CHANDLER moved to take up the above bill.

Mr. SAULSBURY called for the reading of its title. The title was read.

Mr. JOHNSON objected to the present consideration of the bill, and it went over.

THE PRESIDENT'S MESSAGE.

At 1:40 the President's Private Secretary, ROBT. JOHNSON, arrived, and the Message was then read by the Secretary of the Senate, JNO. W. FORNEY.

At the conclusion of the reading, Mr. ANTHONY offered a resolution for the printing of the Message and 8,000 extra copies, which was adopted.

TREASURY REPORT.

The Annual Report of the Secretary of the Treasury was then laid before the Senate by the President *pro tem*, after which, at 2:25, the Senate on motion of Mr. POMEROY adjourned to meet at noon to-morrow.

HOUSE OF REPRESENTATIVES.

Before 10 o'clock the galleries began to be filled with spectators, and before 12 o'clock every seat and standing place was occupied.

PRAYER BY THE CHAPLAIN.

The proceedings were opened at noon with prayer by the Chaplain, Rev. Dr. BOYNTON.

CALLING THE ROLL.

The Speaker directed the Clerk to call the roll of members, so as to ascertain who were present. The roll having been called, the Speaker announced that 146 members had answered to their names.

NEW MEMBERS.

Three new members from Tennessee—Messrs. ARNELL, CAMPBELL and HAWKINS, and those from Kentucky, Messrs. HISE, BOUSSEAU and WARD—appeared at the Speaker's desk, and took the oath prescribed by law.

COMMITTEE TO WAIT UPON THE PRESIDENT.

On motion of Mr. WASHBURN, of Illinois, the usual Committee was appointed to wait on the President, with a like committee on the part of the Senate, and inform him that Congress was assembled and ready to receive such communication as he chose to make. Messrs. WASHBURN of Illinois, MORRILL and FINK were appointed such Committee.

SEATS FOR REPORTERS.

On motion of Mr. WASHBURN, of Illinois, the Speaker was directed to assign a seat on the floor to the reporters of the United States and European News Association.

Mr. STEVENS inquired, jocularly, whether that would admit Mr. WALTERS, editor of the London *Times*.

Mr. WASHBURN replied that such was not the object of the resolution.

REGULAR BUSINESS.

The Speaker then proceeded, as the regular business in order, to call the States for bills and resolutions.

COMMITTEE ON FREEDMEN.

On motion of Mr. KELLEY, a resolution to provide for a standing Committee on Freedmen was referred to the Committee on Rules.

BILL TO RESTRICT PARDONS.

Mr. ELIOT asked leave to introduce a bill to repeal the thirteenth section of the act of July 17, 1862, which section authorizes the President to extend by proclamation, to persons who may have participated in the rebellion, pardon and amnesty, with such exceptions, at such times and on such conditions as he might deem expedient for the public welfare.

Mr. FINK objected to the introduction of the bill: the rules requiring one day's notice to be given.

Mr. ELIOT moved to suspend the rules.

The rules were suspended by a vote of 115 to 29. The negative votes were those of Messrs. Ancona, Boyer, Chanler, Dawson, Eldridge, Finck, Glossbrenner, Hale, Harding of Kentucky, Hawkins, Hise, Kerr, Le Blond, Leftwich of Tennessee, Marshall, Niblack, Nicholson, Noell, Phelps, Randall of Pennsylvania, Ritter, Rogers, Shanklin, Sitgreaves, Stillwell, Taylor of Tennessee, Taylor of New-York, Trimble, Ward of Kentucky.

The bill was introduced, read three times and passed—111 to 29.

CORRESPENDENCE CONCERNING SURRATT.

On motion of Mr. BOUTWELL, the Secretary of State was directed to lay before the House copies of all correspondence in the State Department relating to the discovery of JOHN H. SURRATT.

SALES OF GOLD.

Mr. BOUTWELL introduced a bill to provide for the sale of gold and for other purposes.

The first section directs the Secretary of the Treasury to sell, at public auction, in the City of New-York, to the highest bidder, two millions of gold coin every Monday, between the hours of 9 in the forenoon and 4 in the afternoon, in parcels or lots not exceeding ten thousand dollars each, provided that no sale of gold shall be made when the amount of gold in the Treasury belonging to the Government shall not exceed forty-two millions. The second section requires notice to be given of the time and place of such sales in one newspaper at least, in each of the twelve principal cities of the United States. The person selling the gold is to receive a commission not exceeding one fiftieth of one per cent. The third section directs the Secretary of the Treasury to invest the proceeds of such sales in the interest-bearing bonds or obligations of the United States. The fourth section forbids Collectors of Internal Revenue to deposit funds in any banking institution whenever their offices are within two hundred miles of the Treasury, or of any Assistant Treasury, or designated depository of public money.

The bill was read twice, and referred to the Committee on Ways and Means.

TIME FOR MEETINGS OF CONGRESS.

Mr. SCHENCK introduced a bill to fix the time for the regular meetings of Congress as follows:

Be it enacted, That the regular times of the meeting of the Fortieth Congress of the United States, and of each succeeding Congress thereafter, shall be at 12 o'clock meridian on the 4th day of March, the day on which the term begins for which the Congress is elected, and on the first Monday in January next thereafter, and on the second Monday in the November next preceding the end of the term for which the Congress is elected.

SEC. 2. *And be it further enacted*, That section 17 of the act approved July 28, 1866, entitled "An Act making appropriations for sundry civil expenses of the Government for the year ending June 30, 1867, and for other purposes," be so amended that no Senator or Representative in Congress, who may be a member of an immediately preceding Congress, shall receive any allowance for mileage for traveling to the place of meeting to attend the first session of such preceding Congress.

The bill was read twice, made special order for Dec. 11, and ordered printed.

A REVENUE DEPARTMENT.

Mr. KELLY introduced a bill to create and organize a department to be called the Department of Internal Revenue, which was read twice and then referred to the Judiciary Committee.

REMOVALS FROM OFFICE.

Mr. STEVENS introduced a bill to regulate removals from office. The first section provides that in all instances of appointment to office by the President, by and with the advice and consent of the Senate, the power of removal shall be exercised only in concurrence with the Senate. In case of disability or misconduct of officers occurring during the recess of the Senate, it shall be lawful for the President to suspend the disabled or defaulting officer, and designate some other person to perform the duties of the officer until the Senate shall have an opportunity of acting. The President is to make report of his action within ten days after meeting of the Senate; and in case of the refusal of the Senate to concur in such suspension, the suspended officer shall thereupon resume the possession of his official functions as though the same had not been interrupted. Every person so nominated to the Senate, and not confirmed, shall be incapable of holding any office under the United States for the term of three years after such rejection, unless two-thirds of the Senate relieve him from such disability.

The bill was read twice.

Mr. SPALDING suggested that the subject had been committed last session to the Joint Committee on Retrenchment and referred.

Mr. STEVENS said that he introduced the bill, and if the gentleman (SPALDING) did not like it he could vote against it.

Mr. SPALDING retorted that he would probably assume to himself the privilege, whether Mr. STEVENS liked it or not. He objected to the bill being introduced.

Mr. STEVENS moved to suspend the rules.

The rules were suspended. The bill was introduced, read twice, postponed till Friday next, made a special order and ordered printed.

APPOINTMENTS TO BE REGULATED.

Mr. BROOMALL introduced another bill regulating the appointment of certain public officers. Read twice and referred to Judiciary Committee.

LIGHTHOUSE AND LIFE-SAVING.

On motion of Mr. LAFLIN, a Committee was directed to inquire into the expediency of making an appropriation for the erection of a lighthouse at Matteawan Point on the Raritan Bay, New-Jersey, and of paying per diem compensation to crews connected with the life-saving stations on the coast of Long Island and New-Jersey.

THE PRESIDENT'S MESSAGE.

Mr. WASHBURNE, of Illinois, from the Committee to wait on the President, reported that the President's Message would be communicated immediately.

Mr. STEVENS, sending up a newspaper sheet to the clerk's desk, moved that the President's Message be now read.

The Speaker replied that the message had not yet been officially communicated to the House, and he had no knowledge of its being sent by the President.

Mr. STEVENS remarked that he had thought he would just mention the fact of its being already published.

The Speaker suggested that the printed message might not be a genuine copy.

Mr. STEVENS explained that it was printed in the Presidential official paper—the *Constitutional Union*—[laughter] and he assumed that it was a correct copy, as it came through Col. FLORENCE.

TAX EXEMPTIONS.

Mr. ANCONA offered a resolution directing the Committee on Ways and Means to report a bill providing for the adjustment of the rates of exemption from the income tax in accordance with the pledges made to the people by Congress at the last session. It was referred to the Committee on Ways and Means.

INSPECTORS OF DISTILLERIES.

On motion of Mr. MILLER the Committee on Ways and Means was directed to inquire into the expediency of changing the Revenue Laws so as to dispense with the present mode of appointing Inspectors of Distilleries.

TAX ON INDUSTRIAL PRODUCTS.

On motion of Mr. KELLY the Committee on Ways and Means was directed to inquire into the expediency of repealing the provisions of the Internal Revenue law, whereby a tax of five per cent. is imposed on the productions of the mechanical and manufacturing industry of the country.

APPOINTING POSTMASTERS.

On motion of Mr. WARNER the Post-office Committee was instructed to inquire whether any appointments of Postmasters, now acting as such, held their commissions or performed their duties in violation of the 25th section of the Post-office Act of July 2, 1836.

MEETING OF NEXT CONGRESS.

Mr. GARFIELD introduced a bill providing for the meeting of Congress next session on the first Monday of March. Read twice and referred to the Judiciary Committee.

COMPENSATION OF MEMBERS.

Mr. LAWRENCE, of Ohio, asked leave to introduce a bill to repeal so much of the act of last session as increased the compensation of Senators and members of Congress.

Mr. SPALDING objected.

Mr. LAWRENCE moved to suspend the rules.

The House refused to suspend the rules.

SUGGESTIONS FOR ADJOURNMENT.

Mr. STEVENS, again manifesting impatience, suggested that the House had better adjourn as it would evidently take too long a time to get the message.

The Speaker remarked that Mr. WASHBURNE had reported that the President intended to communicate the Message immediately.

REFUSAL TO ADJOURN.

Mr. STEVENS then moved that the House do now adjourn.

The House would not adjourn.

TRIAL OF IMPEACHMENT.

On motion of Mr. LAWRENCE, of Ohio, the Judiciary Committee was instructed to inquire into the expediency of providing a mode of proceeding for trial of all cases of impeachment before the Senate, and to report by bill or otherwise.

EQUALIZING BOUNTIES.

Mr. SCHENCK introduced a bill to equalize the bounties of soldiers, sailors and marines who served in the late war for the Union.

The bill was read twice, and referred to the Committee on Military Affairs, and ordered printed.

MEXICAN AFFAIRS.

Mr. MCKEE offered a resolution requesting the President to communicate information relative to the present position of affairs in Mexico, and especially, any letters from the Mexican Minister at Washington, or the French Minister, relating thereto.

Mr. BANKS suggested the reference of the resolution to the Committee on Foreign Affairs.

Mr. MCKEE preferred to have it adopted.

Mr. BANKS objected, that under the rule calling for Executive information, it must lie over for one day.

Mr. MCKEE moved to suspend the rule.

The House refused to suspend the rule, and accordingly the resolution went over for one day.

PRE-EMPTION LAWS.

Mr. JULIAN introduced a bill amendatory of the Preemption laws; which was read twice and referred to the Committee on Public Lands.

MOTION TO ADJOURN.

Mr. STEVENS at 1:40 o'clock moved that the House adjourn; he had no idea of the House waiting for the President's Message after it was sent all over the country.

Mr. RANDALL of Pennsylvania inquired whether it was not usual on the first day of the session to wait for the President's Message?

The Speaker declined to answer the question.

The yeas and nays were called on the motion to adjourn.

ARRIVAL OF THE MESSAGE—DISCUSSION.

Pending the roll-call, the President's Private Secretary appeared at the bar and announced a Message from the President of the United States.

The motion to adjourn was withdrawn, and the Speaker laid the Message before the House.

Mr. STEVENS said, he understood it would take over an hour to read the Message; he therefore moved to postpone its reading till to-morrow.

The motion was rejected.

Mr. EGGLESTON moved to take a recess till 3 o'clock.

The motion was rejected, and Mr. MCPHERSON, Clerk of the House, thereupon proceeded in a clear and distinct manner to read the President's Message; the members having themselves been furnished in the meantime with printed copies. When about two-thirds of the Message had been read, and only the drier details of it remained to be read—

EFFORT TO STOP READING THE MESSAGE.

Mr. STEVENS interrupted the clerk and said that their friends were now inside on the eastern portico expecting them; that it would take considerable time longer to finish the message, and therefore he moved that its further reading be postponed until to-morrow.

On a division of the House there appeared to be sixty members in favor of postponement against fifty opposed.

The yeas and nays were ordered on the motion.

Appeals were made to Mr. STEVENS to withdraw his motion but he sternly refused to do so.

The vote resulted yeas 64, nays 65, as follows:

YEAS—Messrs. Allison, Ashly, of Ohio, Baker, Baxter, Bidwell, Blow, Broomall, Clarke, of Ohio; Clarke, of Kansas; Cobb, Cullom, Darling, Dodge, Driggs, Eggleston, Harding, of Illinois, Henderson, Higby, Hill, Holmes, Hubbard, of West Virginia: Hubbard, of Connecticut: Hubbell, of Ohio; Hawkins, Ingersoll, Kelly, Kelsey, Koontzs, Lawrence, McIndoe, McKee, Mercur, Miller, Moorhead, Morrill, Moulton, Myers, Newall, O'Neil, Orth, Paine, Perham, Pike, Plants, Price, Rollins, Sawyer, Schenck, Schofield, Schellabarger, Starr, Stevens, Stokes, Trowbridge, Upson, Van Aernam, Van Horn of Missouri, Washburne of Indiana, Walker, Wentworth, Williams, Wilson of Pennsylvania, Windom.

NAYS—Messrs. Ames, Ancona, Banks, Barker, Beaman, Bingham, Blaine, Boutwell, Boyers, Brandegee, Campbell, Dawes, Dawson, Defrees, Dixon, Donnelly, Eckley, Eldridge, Eliot, Ferry, Finck, Glossbrenner, Hale, Harding of Kentucky, Hayes, Hise, Hooper, Hulburd of New-York, Jenckes, Kasson, Ketcham, Kuykendall, Leftwich, Loan, Lynch, Marshall, Maynard, McRuer, Niblack, Nicholson, Noell, Patterson, Phelps, Randall of Pennsylvania, Randall of Kentucky, Rice of Massachusetts, Rice of Maine, Ritter, Rousseau, Shanklin, Sitgreaves, Spalding, Taylor of Tennessee, Francis Thomas, John L. Thomas, Jr. Trimble, Ward of Kentucky, Warner, Washburne of Illinois, Washburn of Massachusetts, Whaley.

READING CONCLUDED.

The Clerk resumed the reading of the Message, and concluded it at 2:45.

MESSAGE REFERRED.

On motion of Mr. WASHBURNE, of Illinois, the Message and accompanying documents were referred to the Committee of the Whole on the State of the Union, and ordered to be printed.

On motion of Mr. BANKS, the portion of the Message and documents referring to Mexican affairs, was ordered to be printed separately, so that they might be on the tables of the members to-morrow.

ADJOURNED.

The House adjourned, and the Republican members of it formed in procession and went to the Eastern portico, to take part in the proceedings of welcome.

EUROPEAN NEWS.

Advices to Dec. 3 by the Ocean Telegraph.

ENGLAND.

The Great Reform Demonstration in London—Immense Turn Out—No Disorder.

LONDON, Monday, Dec. 3.

The great Reform demonstration took place here to-day. It was participated in by all the Trades Societies. It was the most important affair of the kind that was ever seen in this city. Full fifty thousand people marched in the procession to the place of meeting, and there would have been thousands more had the weather been fair.

There were forty-seven societies in the line of march, together with various branch societies of the Reform League, all divided into four grand divisions, with bands of music, banners, mottoes, &c.

At noon the multitude stretched from St. James' Park along Pall Mall, Piccadilly and other principal streets, to the grounds of Beaufort House, in the suburbs of the city, where an immense meeting is now in progress. Seven platforms have been erected, from which more than fifty speakers have addressed the masses.

The stores all along the line of march were closed, but the streets were alive with people, and the windows filled with spectators.

Great enthusiasm was manifested, but the immense crowd were orderly, and no disturbance occurred.

The Stars and Stripes were borne in the procession, and among the airs played by the various bands was the "Wearing of the Green."

LONDON, Monday, Dec. 3—Evening.

JOHN BRIGHT was present at the great Reform demonstration which took place in London to-day. In spite of a heavy rain, there were twenty-five thousand people in the procession, only a portion of whom could enter the grounds where the meeting was held.

Resolutions were passed amid great enthusiasm; at the conclusion the people dispersed peacefully.

Mr. BRIGHT will address an immense audience to-night.

Sending Troops to Ireland.

LONDON, Monday, Dec. 3.

Two regiments will embark from Liverpool to-day, bound to Ireland.

LONDON, Monday, Dec. 3—Evening.

The Fenian Senator MEANY, who was arrested this morning, was taken to Dublin. No evidences of treason were found upon him.

The Measures Taken to Arrest J. H. Surratt.

LONDON, Monday, Dec. 3—Evening.

It is stated that the United States authorities in Italy had telegraphed to Malta to arrest JOHN H. SURRATT, one of LINCOLN's assassins, on the steamer touching there, but the attempt had failed. They expect, however, to effect the arrest when the steamer reaches Alexandria.

GERMANY.

Count Von Bismarck and Schleswig-Holstein.

BERLIN, Monday, Dec. 3.

Count BISMARCK has returned to Berlin.

A deputation from Schleswig was about to wait on him.

FINANCIAL AND COMMERCIAL.

London Money Markets.

LONDON, Monday, Dec. 3.

Consols for money have declined to 88⅜.*

*Supposed to be ex-dividend.

LONDON, Monday, Dec. 3—Evening.

Market closes dull for United States bonds

LONDON, Monday, Dec. 3—Evening.

Consols closed this evening at 88⅛ for money.

American Securities.

LONDON, Monday, Dec. 3—Noon.

Illinois Centrals are quoted at 77 and Erie at 46; U. S. Five-Twenties of 1862, 70½; Five-twenties of 1865, 69½.

LONDON, Monday, Dec. 3—Evening.

Five-twenties of 1862, 70 7-16; Five-Twenties of 1865, 69⅜; Erie Railway and Illinois Central Shares close at ½ decline.

LONDON, Monday, Dec. 3—Evening.

The following are the last quotations of American Securities:

United States Five-Twenties	70¾
Illinois Central	77
Erie Railway	46

Liverpool Markets.

LIVERPOOL, Monday, Dec. 3—Noon.

The Cotton Market is quiet, at Saturday's prices. The sales to-day will probably reach 13,000 bales. Middling Uplands are quoted at 14d.

The Market for Breadstuffs is very active.

LIVERPOOL, Monday, Dec. 3—Evening.

The Cotton Market closed very firm at this morning's prices. Sales, 12,000 bales, of which 3000 went to speculators and exporters.

Market for Provisions is flat.

Arrival Out.

LIVERPOOL, Monday, Dec. 3.

The steamship *Adelaide*, from Baltimore, has arrived out.

MEXICO.

Rumored Return of Maximilian to Mexico.

NEW-ORLEANS, Monday, Dec. 3.

There are rumors here that MAXIMILIAN has returned to Mexico for the purpose of carrying on the Empire.

Special instructions have been issued to the commander of our troops on the Rio Grande with reference to Mexican affairs, the purport of which is said to be that he is to abstain from any interference whatever in the affairs of that country, unless ordered from headquarters to do otherwise.

DICKENS' CHRISTMAS STORY.—*Every Saturday*, which is published to-day by Messrs. TICKNOR & FIELDS, contains Dickens' Christmas story, "Mugby Junction." A larger proportion than usual of this story is said to have been written by Mr. DICKENS himself, and its interest is, therefore, proportionately enhanced.

The December number of *Demorest's Young America* sparkles with beautiful engravings and other extraordinary attractions. It is unquestionably the best juvenile magazine ever issued. Send for a copy, 15 cents, postpaid. W. JENNINGS DEMOREST, No. 473 Broadway, New-York.—*New-York Independent.*

"Taking it all in all, it is the best a lady can have. As regards other machines, all I can say is, those of my friends who have not Grover & Baker's are in constant trouble with their respective machines. Anybody of sense will give the preference to Grover & Baker's.—Testimony of Mrs. Henry Dickinson, of No. 473 West 21st-st., New-York, before the Commissioner of Patents.—*Advertisement.*

Bottled Bliss.

The bacchanalian, smacking his lips over Heidseick or Clicquot, may pronounce it delicious, but ask the lady of pure taste what is the most enchanting liquid ever enshrined in glass, and she will recall the exquisite odor of PHALON'S NIGHT-BLOOMING CEREUS, and tell you it is bottled ecstacy.

Coughs and Colds are often overlooked.

A continuance for any length of time causes irritation of the lungs or some chronic throat disease. BROWN'S BRONCHIAL TROCHES are offered with the fullest confidence in their efficacy, giving almost invariably sure and immediate relief.

"We heartily recommend them to all our readers."—BURNETT'S FLORIMEL, the most delicate and exquisite perfume in the world, and COCOAINE for the hair.—*Leslie's Family Magazine, N. Y.*

Positively the Best in Use, Dalley's Galvanic Horse Salve. 50 cents per box.

A Sure Pile Cure.

Dr. GILBERT'S PILE INSTRUMENT positively cures the worst cases of piles. Sent by mail on receipt of $4. Circulars free. Sold by druggists. Agents wanted everywhere. Address J. B. ROMAINE, Manager, No. 673 Broadway, New-York.

Batchelor's Hair Dye.

The best in the world, the only reliable and perfect dye known. Instantaneous and harmless. The genuine is signed WILLIAM A. BATCHELOR. Sold by all druggists and perfumers. Factory No. 81 Barclay-st.

Metcalfe's Great Rheumatic Remedy is the most wonderful remedy ever brought before the public. A gentleman of this City, who had lost the use of his limbs, and had used crutches for over six months, has been completely cured by one bottle. Tell your afflicted friends to try it.

Finest Ready-made Overcoats and Business suits ever seen in this country. Boys', youths' and childrens' clothing, furnishing assortment in the City at very low prices. Boys' all wool cassimere suits for $12 each. EROKAW BROTHERS, No. 62 Lafayette-place, and No. 346 4th-av.

Hernia, Varicocele and General Deformities, specially treated by the undersigned, at No. 154 Fulton-st.; trusses, abdominal supporters, spinal and shoulder braces; silk elastic stockings, suspensory bandages, &c., carefully adjusted to suit each case. J. C. MARSH.

A. Macmillan, sole Agent for NEW-YORK CLUB SKATES, No. 575 Broadway, New-York, wholesale and retail. Season tickets for Fifth-avenue Skating Park for sale here.

Furs, Furs, Furs.—Capes, Talmas, Collars Collarettes, Muffs, Cuffs, Skating Hoods and Robes of every description, at BANTA'S old stand, corner of Canal and Wooster sts.

Holiday Presents.—The cheapest and only genuine meerschaum is bought at Kath's Meerschaum Manufactory, No. 415 Broome-st.

Trusses, &c.—MARSH & CO.'S Radical Cure Truss Office, only at No. 2 Vesey-st. Also supporters, bandages, silks, elastic stockings, &c. A lady attendant.

Wigs, Toupees and Ornamental Hair, first quality; Hair Dye and Hair Dyeing, all colors, at BATCHELOR'S, No. 16 Bond-st.

Mott's Chemical Pomade Restores Gray hair, and is decidedly the best hairdressing used. Sold by RUSHTON, No. 10 Astor House, and by all druggists.

Christadoro's Hair Dye is universally acknowledged as the best extant. Factory 6 Astor House.

Holiday Presents.—Polish & Son, Meerschaum Manufs., 78 Broadway, near 4th-st.; pipes cut and repaired.

Florence
REVERSIBLE FEED LOCK-STITCH

MONETARY AFFAIRS.

Sales at the Stock Exchange—Dec. 3, 1866.

$3,000 U.S.6s,5-20s,R.'62 107
2,000 U.S.6s,5-20s,C.'64 108⅛
500 do 108⅛
1,000 U.S.6s,5-20s,R.'64 107
267,000 U.S.6s,5-20s,C.'65 ..... 108⅛
New Issue..... 108⅛
7,500 do...2d Ser. 108⅜
2,000 do...Large 108⅜
5,000 do...3d Ser. 108⅜
2,000 do...Large 108⅜
4,000 Missouri 6s..... 90¼
10,000 Ohio & M. C..... 90
10,000 do..... 29⅞
300 Canton Co..... 47½
50 West. U. Tel..... 47
100 Mar. Min. Pref..... 25⅜
100 do..... 25⅜
100 Tenn. 8s. new 69
5,000 Kentucky 6s..... 96
50,000 U. & M. C..... 29⅝
20,000 do..... 30
20,000 do.....2d call 30
50,000 do..... 30
20,000 do..... 30⅛
2,000 Hudson R. 8d.. 99
20,000 C.&R.I.Pa.R.7s. 92
24 Fourth N. Bk..... 107
100 Quick. Min..... 46⅛
100 do.....2d call 46½
20 Rank of Commerce. 117
40 Nassau Bank..... 105
200 West. U. Tel..... 47⅛
300 Canton Co..... 48
100 Cumb. Coal Co..... 71
200 Bruns. Land..... 7⅞
100 So. Amer. Nav. & Marine R..... 111⅛
100 do..... 110⅝
100 do..... 110½
5 Amer. Ex. Co..... 81½
Mar. Pref..... 78⅛
260 N. Y. Central..... 113⅝
500 do..... 113⅝

I O'CLOCK BOARD.

$2,000 U. S. 6s, '81.. C. 113
5,000 U. S. 5s, 10-40s..C 100
10 Bk. of Comm'th..... 110
200 West. U. Tel..... 47⅛
200 Quick. Min. Co..... 46½
100 Cum. Coal. P..... 71
400 Cleve. & Tol..... 114
200 do..... 114⅛
200 N. Y. Cen..... 113⅝
700 do..... s10 113⅝
300 do..... s10 113⅝
400 Erie Railroad..... 73
200 Mich. S. & N. I.. 62½
200 M. S. & N. I..... 62¼
2,000 do..... 62¼
150,000 do..... 62¼
154,000 do..... 62¼
917,386 do..... 62¼
28,000 do..... 62¼
400,000 do..... 62¼
200,000 do..... 62¼
75,000 do..... 62¼
$4,947,294

Revenue of San Francisco, year ending June 30, 1866.

The revenues of the city were the following:

Taxes	$1,361,8 6 26	Fines	$4 ,990 56
Poll taxes	15,364 99	Sales property	4,100 65
State and county licenses	89,233 25	Sales of bonds	61,680 00
Munici'l licenses	28,799 25	Rents	1,325 50
Harbor dues	20,136 86	Sundries	610 75
Total			$1,626,408 06

Amount received from loans returned (loaned from sinking funds and to State) and for amounts deducted from the statement of the expenditures, $578,906 97, added to the above total, gives $2,203,315 03 as the receipts into the Treasury on account of the city and county.

BANKING AND FINANCIAL.

BROOKLYN CITY LOANS.

These include Park, Water and other Improvemetn Six and Seven per Cent. Bonds. For sale by

JAY COOKE & CO.,
Wall and Nassau sts.

GENERAL MARKETS.

NEW-YORK, Monday, Dec. 3, 1866.

The receipts of the principal kinds of produce since our last have been 22 bbls. Ashes, 16,214 bbls. Flour, 2,880 bags Corn Meal, 184,357 bushels Wheat, 143,366 bushels Corn, 154,776 bushels Barley, 39,595 bushels Oats, 1,500 bushels Malt, 30,400 bushels Rye, 444 bbls. Pork, 382 pkgs. Lard, 209 pkgs. Cut Meats, 731 pkgs. Beef and 686 bbls. Whisky.....Ashes, Hay, Hemp, Hops, Oils, Naval Stores, Groceries and Whisky, essentially unchanged....Flour moderately active; low grades closed at 5c.@10c. ₱ bbl. higher; total sales 9,400 bbls....Wheat dull, irregular; sales 8,200 bushels Chicago Spring at $2 23@$2 35 ₱ bushel Corn 1c.@2c. higher, better demand; sales 89,000 bushels at $1 18@$1 21, chiefly at $1 18 in store, and $1 20 afloat, for mixed Western ₱ bushel. Rye steady, 7,000 bushels Western at $1 20. Barley in better request; sales 33,000 bushels Canada West at 95c. in bond, and $1 15@$1 20 free, ₱ bushel. Oats buoyant; sales 53,000 bushels, including Western at 61c.@65½c., latter rate for very choice Ohio; State at 66½c. ₱ bushel....Provisions heavy. Pork lower; sales 3,500 bbls., in lots, at $21@$21 31, closing at $21 25 cash, for one year old Mess; $21 50@$21 75 for new Mess; $19@$19 50 for prime; $20 25@$20 50 for Prime Mess; also, 2,500 bbls. new Mess, December and January delivery, seller's and buyer's options, at $20 90 @$21 50 ₱ bbl. Cut Meats steady; sales 128 pkgs. Bacon unchanged; sales 135 boxes. Lard declined ½c.@¾c. ₱ lb.; sales 850 pkgs. at 12c.@13¼c.; and for January delivery, 250 pkgs., at 13½c. ₱ lb. Dressed Hogs fell to 8¾c.@9¼c. for heavy to light. Beef dull; 320 bbls. sold. Butter and Cheese unchanged....Cotton rather steadier, but not active. Middlings, 33c.@33c. ₱ lb. Receipts since our last, 2,458 bales....Freights steady For Liverpool, 200 bales Cotton were taken, at 3-16d. ₱ lb.; 45,000 bushels Barley and Oats, at 5d.@5¾d. by sailing vessel, and 7d. by steamer, ₱ bushel. For London—7,500 bushels Barley, at 7d. ₱ bushel.

FIRST MORTGAGE BONDS OF THE CENTRAL Pacific R. R. Co. OF CALIFORNIA.

Interest at the rate of Six per Cent. per annum, payable Semi-Annually, on the First days of January and July.

Principal & Interest payable in U. S. Gold Coin in the City of New York.

Amount of Issue, $7,336,000.

In Coupon Bonds of $1,000 each.

The Bonds have Thirty Years to run, and are secured by a First Mortgage, constituting an absolute prior lien on that portion of the Road, Equipments, Franchises, and Entire Property of the Central Pacific Railroad Company, located in the State of California, and extending from Sacramento City to the California State Line, forming a part of the GREAT PACIFIC RAILROAD ROUTE, adopted and aided by the UNITED STATES GOVERNMENT.

FOR SALE AT

95 per cent. and accrued interest from July 1 in Currency.

For further particulars, apply to

FISK & HATCH,

Bankers and dealers in United States and other desirable Securities, No. 5 Nassau-st., New-York.

COPARTNERSHIP NOTICES

NOV. 1, 1866.

THE UNDERSIGNED HAVE FORMED a copartnership for the purpose of transacting a Banking, Exchange and Commission business, under the firm of JAMES W. TUCKER & CO.,
Nos. 3 and 5 Rue Scribe, Paris, France.

JAMES W. TUCKER.
EDWARD R. ANDREWS.

BUSINESS CHANCES.

A RARE OPPORTUNITY.—FOR SALE, A newspaper and job office in New-York, not far from the City, at a price which will be paid from the profits of the business in the first eighteen months. The proprietor is going abroad. Inquire at once of L. H. BRIDGHAM, No. 103 John-st., New-York.

A SPECIAL OR ACTIVE PARTNER WANTED—To extend an established and very profitable cash manufacturing business. Address EMERSON, Box No. 166 *Times* Office.

WANTED—FOR STARTING A LARGE, PLEASant and profitable manufacturing business an active or silent partner. For particulars address W. G., Station E, New-York.

STATIONERY.

DIARIES FOR 1867—ALL SIZES AND styles; daily journals, expense books, blank books, paper, fancy and staple stationery at low prices. Orders solicited.

FRANCIS & LOUTRELL, Stationers, Printers and Bookbinders, No. 45 Maiden-lane.

THE BEST AND CHEAPEST INKS.—"Keys' National Writing Fluid" and "American Union Ink." No sediment; flow freely and do not corrode. Sold by the trade generally. Manufactured, REEVES & CO., successor to J. G. Keys. Removed No. 808 Washington-st., near Meeker.

REMOVALS.

REMOVAL.—RUTLAND MARBLE CO. HAVE removed their office from No. 38 Broad-st. to No 9 Peacharee-place, Room No. 4.

AUCTION SALES.

A. S. RICHARDS & CO., Auctioneers.

FIRST WINTER SALE
OF
BOOTS AND SHOES
ON
WEDNESDAY, Dec. 5, 1866, at 10½ o'clock,
At store No. 44 Cortland-st.,
where they will offer a large and varied assortment of
WINTER GOODS,
comprising almost every style and quality
Sales of
BOOTS AND SHOES
EVERY WEDNESDAY MORNING
DURING THE YEAR.

GOVERNMENT SALE AT AUGUSTA.

The following property will be sold at a PUBLIC AUCTION, to be held at the UNITED STATES ARSENAL AT AUGUSTA, GEORGIA, on

THURSDAY, Dec. 20, 1866,

Property at FORT FISHER, NORTH CAROLINA, as follows:

About 70,000 pounds unserviceable guns, shot and shell.

34 unserviceable gun-carriages, with the irons on them.

340 barrels damaged powder.

Laying at the railroad depot in ATLANTA, Ga.:

104,000 pounds cast-iron guns.

At the FINDLAY IRON WORKS AT MACON, Ga.:

A fine steam-power hammer, acting direct from cylinder; height of drop 2,000 pounds.

At the AUGUSTA ARSENAL AND POWDER WORKS the following:

112,000 pounds cast-iron guns,

12,030 pounds cast-iron castings, some of them valuable.

300,000 pounds cast-iron scrap, (shot and shell, &c.)

6,000 pounds iron copper scrap.

190 field gun-carriages, with the irons on them.

140 ammunition chests, (black walnut and copper.)

60 sets artillery harness for two horses.

And a quantity of other property, consisting of, principally, saddles, horses, equipments, infantry accoutrements, (leather,) musket appendages, harness, bullet-moulds, powder-flasks and blacksmith bellows.

The sale will commence at 10 A. M. and continue until the property is sold.

TERMS: Twenty per cent. on the day of the sale and the remainder when the property is delivered, or within ten days.

Persons desiring to purchase the property, either at Fort Fisher, N. C., Atlanta or Macon, Ga., should examine it before the day of the sale.

D. W. FLOYER, Byvet Lieut.-Col. U. S. A., Capt. of Ordnance, Comdg. Augusta Arsenal.

MORRIS WILKINS, Auctioneer.

CENTRAL PARK LOTS—59TH-AV., 56TH, 57TH, 111TH AND 113TH STS.

E. H. LUDLOW & CO. will sell at auction on FRIDAY, Dec. 7, 1866, at 12 o'clock, at the Exchange Salesroom, Trinity Building:

4TH-AV.—Eight lots west side, comprising entire front between 111th and 112th sts.; corners 25.4x80 feet; inside lots 25.2x80 feet.

EAST 56TH-ST.—Nine lots north side, 75 feet east Madison-av., each 25x100 feet 5 inches.

EAST 57TH-ST.—Nine lots south side, directly in the rear of the above, each 25x100 feet 5 inches.

WEST 56TH-ST.—Four lots north side, 100 feet east of 10th-av., each 20x100 feet.

WEST 57TH-ST.—Seven gores south side, 250 feet west of 9th-av.

EAST 111TH-ST.—Three lots north side, 80 feet west of 4th-av., each 25x100 feet 10 inches.

EAST 112TH-ST.—One lot south side, 80 feet west of 4th-av., 25x100 feet 10 inches.

Maps at the office of the Auctioneers, No. 3 Pine-st.

EDWARD SCHENCK, Auctioneer.

MAGNIFICENT SALE OF FANCY GOODS.

REAL BRONZES,
BRONZE CLOCKS,
BRONZE STATUETTES,
BRONZE GROUPS,
BISQUETTES,
SEVRES VASES,
TOILET SETS,
SILESIAN GLASS,
PARIANS, &c., &c.,

to be sold at auction THIS DAY, by EDWARD SCHENCK, at 11 A. M., at his salesroom, No. 80 Liberty-st. The above is the finest sale that has ever taken place in this City. Sale positive.

J. COLE, Auctioneer.

VALUABLE FULTON-STREET PROPERTY, BROOKLYN.

FOR SALE IN PARTITION.

J. COLE will sell at auction on TUESDAY, Dec. 4, 1866, at 12 o'clock, at the Commercial Exchange, No. 389 Fulton-st., opposite the City Hall, Brooklyn:

The valuable store property known as Nos. 253, 255, 257, 259 and 261 Fulton-st., opposite Clinton-st., Brooklyn. One half of the purchase money may remain on bond and mortgage for three years.

For maps and full particulars, apply to the Auctioneer, or to Messrs. LOWREY, FRANSIOLI & SOREN, Attorneys, No. 39 Nassau-st., New-York.

HENRY D. MINER, Auctioneer—Salesroom No. 37 Nassau-st., opposite the Post-office.

EXECUTOR'S SALE OF A LARGE AND FINE COLLECTION OF ANCIENT AND MODERN OIL-PAINTINGS, TO CLOSE THE ESTATE OF THE LATE MATHEW MORGAN, Esq.

MINER & SOMERVILLE will sell, at auction, on MONDAY, 3d, and TUESDAY, 4th December, at 11 o'clock each day, at their salesroom, No. 37 Nassau-st., by order of Executors of the late Mathew Morgan, deceased, a large and fine collection of ancient and modern oil-paintings, of the Italian, French, Flemish, German and English Schools, comprising, among others, a number of the finest ancient paintings which have been offered at auction in many years. In the modern school will be found the works of the following eminent artists, viz.:

A. Schneider,	R. Cazes,	M. A. Kock Keok,
T. Rosierre,	P. G. Vertin,	J. T. Vaarburg,
J. Van Lemputen,	E. Morehant,	A. Everan,
J. Spohler,	F. Van Severdonck,	C. Leickert,
J. Van Warden,	F. Van Severdonck,	H. Schaob,
	And others.	

A number of fine old line and colored engravings.

NOTICE IS HEREBY GIVEN THAT DEfault has been made in the payment of the consideration moneys mentioned in a certain mortgage, dated February seventh, eighteen hundred and sixty-six, made by the North American Lloyd Steamship Company to the Pacific Mail Steamship Company, and that, pursuant to the terms of said mortgage, the said Pacific Mail Steamship Company will by F. W. G. BELLOWS, auctioneer, offer for sale at the [salesroom of the] Merchant's Exchange, at No. 111 Broadway, in the City of New-York, on WEDNESDAY, the twenty-sixth day of December, eighteen hundred and sixty-six, at twelve o'clock noon of that day, and sell at public auction the two several steamships, or vessels, respectively called *Atlantic* and *Baltic*—the said steamship *Atlantic* being of the burden of 2,667 98-100 tons, and the said steamship *Baltic* being of the burden of 2,614 44-100 tons, together with all and singular their respective masts, bowsprits, sails, boats, anchors, cables and all other necessaries thereunto to appertaining and belonging.

PACIFIC MAIL STEAMSHIP CO.,
F. W. G. BELLOWS, Vice-President.
CLARKSON N. POTTER, of counsel, Nos. 59 and 61 Wall-st.—NEW-YORK, Nov. 28, 1866.

MORRIS WILKINS, Auctioneer.

LOTS ON MADISON-AV. AND 4TH AVS., 57TH, 110TH, 111TH, 112TH AND 113TH STS.—E. H. LUDLOW & CO., will sell at auction, on THURSDAY, Dec. 6, 1866, at 12 o'clock, at the Exchange Salesroom, No. 111 Broadway, Trinity Building:

MADISON-AV., 74TH AND 75TH STS.—12 lots, comprising entire front on avenue, and 2 lots on each street.

4TH-AV, northwest corner 112th-st.—25.2½x80 feet.

4TH-AV., northwest corner 113th-st.—4 lots, each 25.2½x 40 feet.

4TH-AV., northwest corner 97th-st.—4 lots, each 25.2½x 80 feet.

57TH-ST.—3 lots south side, 150 feet east 5th-av., each 25x100.5.

57TH-ST.—19 lots north side, 80 feet west of 4th-av., each 25x100.10.

112TH-ST.—6 lots north side, 80 feet west 4th av., each 25x100.10.

113TH-ST.—8 lots north side, 80 feet west 4th-av., each 25x100.10.

112TH-ST.—15 lots north side, 150 feet east of 11th-av., each 25x100.10.

Sixty per cent. can remain on bond and mortgage for two years, at 7 per cent., at option of the buyer.

M. DOUGHTY, Auctioneer.

WILL SELL, ON MONDAY, DEC. 5, AT 10½ o'clock, at salesroom, No. 79 Nassau-st., by virtue of a chattel mortgage, the entire furniture of a 4-story house, comprising parlor, chamber, dining and library suits; mattresses, beds, bedding, chandeliers, pier mirrors, pianof-orte, china crockery and glassware. Catalogues at sale, which will be peremptory.

IN PURSUANCE OF A DECREE IN CHANcery, of the Circuit Court of the United States for the Southern District and Southern District of Ohio, in a cause wherein E. D. Morgan et al. are complainants, and the Ohio and Miss ssippi Railroad Company et al. are defendants, and of a decree in Chancery, entered in the Circuit Court of the United States for the Eighth Circuit and District of Indiana, in a cause wherein the said E. D. Morgan et al. are complainants, and the Ohio and Mississippi Railroad Company et al. are defendants, and by virtue of the authority conferred upon us by a certain deed of trust, called a second mortgage, dated December 1, 1855, executed and delivered by the Ohio and Mississippi Railroad Company to Edward D. Mansfeld and John McLean, and by certain proceedings whereby the said John McLean having declined to act, Geo. Hoadly was in due legal form substituted in his stead, and became with the said Edward D. Mansfield the grantee of said second mortgage, the undersigned, trustees and attorneys, appointed by said deed of trust and by the said proceedings substituting said Hoadley for said McLean, will, at 11 o'clock A. M. on WEDNESDAY, the 9th day of January, 1867, offer for sale at public auction, at the door of the United States Court-house in Cincinnati, and sell to the highest bidder, complying with the terms of sale hereinafter stated, all and singular the following described premises and real and personal estate and franchises, to-wit: The railroad constructed by the said Ohio and Mississippi Railroad Company in the States of Ohio and Indiana, in and connecting the cities of Cincinnati, Ohio, and Vincennes, in Indiana, including the lands occupied and intended to be occupied by the said railroad and its appurtenances, the track, rails, buildings, bridges, viaducts, cattle-guards, fixtures, and the lands upon which the same are situated, and all the privileges, franchises and rights whatsoever of the said Company, and the tolls, income, issues and profits thereof, and all the depots and stations, and the real estate upon which they are situated, and all the locomotives, tenders, cars and machinery owned or or in any wa belonging to the said Company, and all benefit a d equity of redemption of said Company therein, together with all the rights, claims and demands of said Company against the Indianapolis and Cincinnati Railroad Company, upon or growing out of a contract between said Companies, dated Oct. 2, 1856, but subject to all the duties and liabilities imposed by said contract upon the Ohio and Mississippi Railroad Company; SUBJECT, HOWEVER, to the payment of the principal of the bonds secured by the first mortgage executed by said Company, that is to say, to the payment on the first day of July, 1872, in the City of New-York, of two thousand and fifty bonds, each for the sum of one thousand dollars; and SUBJECT, ALSO, to the payment of the interest on said bonds as the same shall accrue and become due on and after the 1st day of January, 1868, said interest being at the rate of seven per cent. per annum, payable semi-annually, upon presentation of the coupons or interest warrants therefor; and SUBJECT, ALSO, to the lien of the said first mortgage, and to the payment of the principal and the interest which may accrue on and after the 1st day of January, 1868, the payment of which principal and interest the purchaser at said sale is to assume, and the lien of said mortgage securing the same is to remain in full force in law and equity, notwithstanding said sale; but FREE AND DISCHARGED from all other claims of the creditors and stockholders of said Company.

TERMS OF SALE, CASH.

No bid will be received for less than $1,000,000. No bid will be received, unless the bidder shall have previously deposited in the Commercial Bank of Cincinnati, as a special deposit, subject to our order, either the sum of $50,000 in lawful money of the United States, or $100,000 in the first or second mortgage bonds of the said Railroad Company, and shall have delivered to us the proper evidence thereof. Such deposit will be returned to any bidder whose bid is not the highest; but the deposit made by the purchaser will be forfeited and converted to the use of the creditors of the said Company, if such purchaser fail to pay the residue of the said purchase money, and complete his purchase.

All persons desiring to bid will find on file in the offices of the Clerks of the said Courts, respectively, a correct schedule of the property and premises to be offered for sale.

EDWARD D. MANSFIELD, } Trustees and
GEO. HOADLY, } Attorneys.
CINCINNATI, Sept. 20, 1866.

AUCTION SALES.

LEAVITT, STREBEIGH & CO., Auctioneers.

ASSIGNEE'S SALE.

WEDNESDAY, THURSDAY, FRIDAY and SATURDAY, Dec. 5, 6, 7 and 8, at 4 o'clock P. M. each day, and continuing through the afternoon and evening, at the store No. 633 Broadway,

By order of the Assignee,
CHARLES HUDSON, Esq.

THE ENTIRE STOCK OF
BOOKS AND STATIONERY
OF THE LATE FIRM OF
W. H. KELLEY & CO., OF NO. 633 BROADWAY,
ALSO, THE FIXTURES AND LEASE OF THE PREMISES.

The stock embraces a splendid collection of Standard Works elegantly bound, Illustrated Books, Bibles and Prayer Books, Juvenile Books, Photograph Albums, Family Bibles, Stationery, and a magnificent assortment of fine books,

SUITED TO THE HOLIDAYS.

The books will be on exhibition on the morning of each day of sale. Catalogues ready, and may be had on the premises, or of the auctioneers, No. 498 Broadway.

The sale will commence at 4 o'clock P. M. each day, and be continued through the afternoon and evening.

The fixtures and unexpired term of the lease will be sold on SATURDAY MORNING, Dec. 8, at 11 o'clock, unless disposed of previously at private sale.

Parties unable to attend the sale can have their orders or purchases executed by the auctioneers.

MONDAY, DEC. 10, AND FOLLOWING DAYS, W. ELLIOT WOODWARD'S Semi-Annual Sale of Gold, Silver and Copper Coins and Medals. Catalogues ready.

JOSEPH HEGEMAN, Auctioneer.

ON WEDNESDAY AND THURSDAY, Dec. 5 and 6, at 1 o'clock P. M., at Goldschmidt's large Piano Rooms, No. 361 Fulton-st., under the Park Theatre, opposite the City Hall, Brooklyn,

VALUABLE AND EXTENSIVE SALE

of statuary, Carrara marble figures and busts, columns and pedestals, Mosaic tables, vases, tazzas, statuettes of pure white alabaster, French gilt and marble clocks, English silver-plated ware, &c., on account of F. Zanoni & Co., of Florence, Italy.

This assortment is an entire importation lately arrived from Leghorn to the above firm, and never before offered to the public, comprising about twenty-five groups, figures and busts of statuary Carrara marble from eminent artists of Florence, Carrara, Milan and other cities of Italy.

Over 100 groups and figures of alabaster, among which are many new and historical subjects. Roman tazzas, five feet high, vases and card-receivers of all sizes of Egyptian, alabaster and marble; French bronze and clocks of the most reliable Paris manufacturers, English silver-plated ware of elegant designs and superior quality, groups of animals, and a great variety of other rich works of art for the decoration of parlors, forming altogether a collection superior in finish and artistic merit to any previously imported.

The exhibition will be open to the public on Wednesday morning, Dec. 5, with descriptive catalogues.

BENJ. F. THEALL, Auctioneer,
Late salesman with E. H. Ludlow & Co.

BY THEALL & BROS., TO-MORROW, WEDNESDAY, at 10½ o'clock, at No. 42 Liberty-st.

A choice collection of books, being part of a private library, comprising the works of Irving, Scott, Byron, Shakespeare, Schiller, Thackeray, Prescott, Dickens and others, together with a number of French works.

ALSO, at 11 o'clock, at No. 42 Liberty-st., an elegant assortment of Fancy Goods.

BRONZES, CLOCKS, VASES,
PARIAN AND BISQUIT FIGURES AND GROUPS.

An invoice of serpentine marble vases, card receivers, tobacco jars, fancy boxes, &c.

Goods now on exhibition at No. 42 Liberty-st.

ERNST ROTH, Auctioneer.

AUCTION NOTICE.—ERNST ROTH, AUCtioneer, will sell at public auction, $18,000 worth of MACHINE-MADE PARLOR FURNITURE,
ELEGANT ROSEWOOD PIANOFORTE,
BEAUTIFUL PARLOR FURNITURE,
WORKS OF ART, BRONZES, CHINA VASES AND FIGURES,
Velvet, Brussels and Ingrain Carpets, 50 fine Oil Paintings by eminent artists; rich cut glass china and silverware, THIS DAY (Tuesday,) Dec. 4, at 1½ o'clock P. M. precisely, at the four-story dwelling-house 119 Clinton-place, 6th-st., between 5th and 6th avs. Sale positive. Deposit required.

T. B. MINTURN, Auctioneer.

THIS DAY, TUESDAY, (DEC. 4,) AT 11 o'clock, within the store,
75 cases prunes, in transparent boxes.
452 cases prunes, in glass jars, (metal stoppers,) assorted sizes.
2,000 packages Malaga raisins.
150 frails dates.
100 cerroons Malaga almonds, slightly stained.
50 bbls. currents.
At 12 o'clock, within the store:
640 boxes fresh Malaga lemons.
Landing ex *Ludmuller*.

HENRY H. LEDDY, Auctioneer.

HENRY H. LEDDY will sell by auction on THURSDAY, Dec. 6, at 12 o'clock, in front of their salesroom, No. 83 Liberty-st.:

ELEGANT FOUR-IN-HAND PHAETON, lined with silk, Prince's metal mounted, English make, in good order.

TWO ELEGANT DOUBLE HARNESSES, Prince's metal mounted, English make, in good order, to match the above.

DRY GOODS.

A GREAT RUSH!!!

FOR BARGAINS.

NO BIG PROFITS! NO DULL TRADE!

But crowds of customers and cheap goods.

A HEAVY CRASH IN MUSLINS.

FINE MUSLINS, 12½c.: former price, 18c.
FINER GOODS, 16c. and 16c.
EXTRA QUALITY, 20c., 25c. and 30c.
BEST 4-4 WAMSUTTAS, 25c.
OTHER STORES CHARGE 44c.

ALSO, BIG LOTS MERINOES, ALPACAS,
POPLINS, DRESS GOODS, &c.,
RETAILED AT WHOLESALE PRICES

10,000 AUCTION BLANKETS, nearly half price.

FOSTER BROTHERS, No. 167 4th-av., near 18th-st., And FOSTER BROTHERS, No. 272 Bleecker-st.

AT GRAND-ST. CHEAP STORE.

Watered, Plain and Broche Ribbons every width, shade and color. Prices still downward.

Line of the richest black Ribbons under price.

EDW'D RIDLEY,
Nos. 369, 371 and 373½ Grand and 66, 68 and 70 Allen-st.,
Fifth block east from the Bowery.

AT GRAND-ST. CHEAP STORE.

Another line of our celebrated Black Silk Bonnet Velvets at $2 50, $3, $3 50, $4 and upward.

Colored Silk Velvets, $2 50, $3, $3 50 and $4 50, every shade.

Uncut materials, Corded Silks, Satins, &c., cheap.

EDW'D RIDLEY,
Nos. 369, 371 and 373½ Grand and 66, 68 and 70 Allen-st.,
Fifth block east from the Bowery.

AT GRAND-ST. CHEAP STORE.

From auction. Bargains in Kid Gloves.

One large lot of Ladies' Kid Gloves at 44c. per pair.

Examine our Dollar Kid Glove, warranted Goat Skin. Our best Two Dollar Glove reduced to $1 50 per pair.

In Cashmere, Lined Silk and Lisle Gloves our stock is cheap.

Bargains in Hosiery.

EDW'D RIDLEY,
Nos. 369, 371 and 373½ Grand, and 66, 68 and 70 Allen-st.,
Fifth block east from the Bowery.

AT GRAND-ST. CHEAP STORE.

Willow, Ostrich and other Feathers.

Imported French Flowers now every day.

EDW'D RIDLEY,
Nos. 369, 371 and 373½ Grand and 66, 68 and 70 Allen-st.,
Fifth block east from the Bowery.

AT GRAND-ST. CHEAP STORE.

Bugle Fringes, Bugle Gimps, Bugle Ornaments, Bugle Sets, large stock, cheap. Every desirable shade in Trimming Silk Velvets, all widths. Trimming Buttons, an endless variety in this department.

EDW'D RIDLEY,
Nos. 369, 371 and 373½ Grand and 66, 68 and 70 Allen-st.,
Fifth block east from the Bowery.

AT GRAND-ST. CHEAP STORE.

Wax Dolls.
Work Boxes.
Holiday Presents.
Yankee Notion Department.

EDW'D RIDLEY,
Nos. 369, 371 and 373½ Grand, and 66, 68 and 70 Allen-st.,
Fifth block east from the Bowery.

AT GRAND-ST. CHEAP STORE.

Bargains in plain and Embroidered Linen Handkerchiefs, Bands Collars, Sets, Cuffs, &c., &c.

EDW'D RIDLEY,
Nos. 369, 371 and 373½ Grand, and 66, 68 and 70 Allen-st.,
Fifth block east from the Bowery.

AT GRAND-ST. CHEAP STORE.

Ladies', Misses' and Boys' Velvet Hats, Bloomers and Bonnets. Also, Felt and Silk Goods, every shape and style at nearly half last month's prices.

EDW'D RIDLEY,
Nos. 369, 371 and 373½ Grand and 66, 68 and 70 Allen-st.,
Fifth block east from the Bowery.

TO MILLINERS AND COUNTRY STOREKEEPERS.

AT GRAND-ST. CHEAP STORE.

We cut lengths of Millinery Goods cheaper than downtown jobbers sell whole pieces. Call.

EDW'D RIDLEY,
Nos. 369, 371 and 373½ Grand, and 66, 68 and 70 Allen-st.,
Fifth block east from the Bowery.

GREAT BARGAINS
IN RICH DRY GOODS.

STRANG & ADRIANCE,
No. 355 BROADWAY, between Franklin and Leonard sts., will offer at retail on MONDAY, Dec. 3,
THE GREATEST BARGAINS YET OFFERED,
having purchased largely at the great peremptory auction sales of last week, the
RICHEST SILKS AND MEDIUM-PRICED DRESS GOODS,
at about 50 cents on the dollar. Also,
SHAWLS,
the RICHEST GOODS IMPORTED, with the largest assortment of RICH MATERIALS for
LADIES' AND CHILDREN'S CLOAKS,
in VELVET and ASTRAKHAN CLOTHS, of all colors.
Also, BLACK and COLORED BEAVER CLOTH at less than half price.

SMILLIE & CO.

Have opened the most ELEGANT ASSORTMENT of
CLOAKS, SACQUES, BASQUES, JACKETS and CIRCULARS, in VELVET and CLOTH, which cannot be surpassed in America.

No. 703 BROADWAY,
Between 9th and 10th sts.
WILLIAM BUCHANAN MACKENZIE,
Superintendent.

AT DE PERCEVAL'S,
No. 739 Broadway, opposite Astor-place, infants' wardrobes, children's cloaks and suits, figure costumes, sacks, dresses, caps, blankets, bibs, waists, aprons, corsets, spencers, &c., &c.

Ladies' under-garments, ladies' skirts, ladies' and misses' sets. Large stock of embroidered yokes. Initials and coats-of-arms embroidered on handkerchiefs, table linen, and bed-clothes. Stamping and stamped goods of every kind.

WHOLESALE AND RETAIL.

GLOVES—GLOVES—GLOVES.—$2 KIDS reduced to $1 75, black, white, light and dark colors; excellent Gloves at $1 and $1 25; undressed kid 90c. and $1; red, white and blue cloth, all sizes; a large assortment of Fall and Winter Gloves, Hoods, Sontags, Nubias, &c., at low prices.

N. B.—Hosiery and Undergarments at cost price, at ELGER'S, Nos. 880 and 882 Broadway, near 19th-st., east side.

AT MRS. GAYNOR'S NEW CORSET and skirt store, No. 824 Broadway, cor. of 12th-st., BALMORAL SKIRTS FOR THE HOLIDAYS.

New and elegant French styles at very reasonable prices. No. 824 Broadway, cor. of 12th-st., and No. 703, between 8th and 9th sts.

TOYS AND HOLIDAY PRESENTS.—ALbums, writing-desks, portfolios, work-boxes, glove-boxes, pocket-books, and dolls of every description, at H. M. FAIRCHILD'S BAZAAR, No. 377 6th-av. and 8-st.

DRY GOODS

CLOAKS AT REDUCED PRICES.

A full assortment of the very latest Paris designs manufactured to order and beautifully trimmed,

AT RETAIL,
AT GREATLY REDUCED PRICES
LORD & TAYLOR,
Nos. 461 to 467 BROADWAY,
Nos. 255 to 261 GRAND-STREET.
Nos. 47 and 49 CATHARINE-STREET.

AT REDUCED PRICES.

A FULL ASSORTMENT OF
HOUSE-FURNISHING GOODS,
BLANKETS, COUNTERPANES, QUILTS, SHEETINGS, TABLE DAMASKS, DIAPERS, NAPKINS, TOWELINGS, PIANO and TABLE COVERS, &c.
ALSO, CURTAIN MATERIALS,
BROCATELS, REPS, CHINTZES, MOREENS, DAMASKS and Upholstery Goods of every kind.
LORD & TAYLOR,
Nos 461 to 467 BROADWAY,
Nos. 255 to 261 GRAND-STREET,
Nos. 47 and 49 CATHARINE-STREET.

WINTER HOSIERY, UNDER-GARMENTS, GLOVES, SCARFS, TIES, COLLARS, &c.

A FINE ASSORTMENT
AT RETAIL, AT REDUCED PRICES!
LORD & TAYLOR,
Nos. 461 to 467 BROADWAY,
Nos. 255 to 261 GRAND-STREET,
Nos. 47 and 49 CATHARINE-STREET.

WOOLENS AT REDUCED PRICES!

FANCY CLOAKING, BEAVERS, CHINCHILLAS, TWEEDS, CASSIMERES, DOESKINS, &c., &c.

A FULL ASSORTMENT.
LORD & TAYLOR,
Nos. 461 to 467 BROADWAY,
Nos. 255 to 261 GRAND-STREET.
Nos. 47 and 49 CATHARINE-STREET.

RICH SILKS! REDUCED PRICES!

A FINE ASSORTMENT OF CHOICE STYLES,
Suitable for the holidays.
ALSO, MEDIUM QUALITIES
in Great Variety, at Retail, at Reduced Prices!
LORD & TAYLOR,
Nos. 461 to 467 BROADWAY,
Nos. 255 to 261 GRAND-STREET.
Nos. 47 and 49 CATHARINE-STREET.

REDUCED FOR THE HOLIDAYS.

RICH LACE SHAWLS, FLOUNCES, CAPES, BARBES, SETS, COLLARS, HANDKERCHIEFS, &c.
Also, LOW-PRICED LACES, and
RICH EMBROIDERIES.
LORD & TAYLOR,
Nos. 461 to 467 BROADWAY,
Nos. 255 to 261 GRAND-STREET,
Nos. 47 and 49 CATHARINE-STREET.

DRESS GOODS! REDUCED PRICES!

A full assortment of desirable Winter dress goods at retail,

AT MUCH REDUCED PRICES!
LORD & TAYLOR,
Nos. 461 to 467 BROADWAY,
Nos. 255 to 261 GRAND-STREET,
Nos. 47 and 49 CATHARINE-STREET.

TABLE CLOTHS
AND
NAPKINS.

A very large and complete assortment at extremely low prices.

MILLIKEN & CO.,
No. 748 Broadway.

TO HOUSEKEEPERS.

CARPETS
AND
OIL-CLOTHS.
SMITH & LOUNSBERY,
No. 488 BROADWAY,
NEAR GRAND-ST., NEW-YORK, HAVE ON HAND A LARGE AND SELECT STOCK OF NEW FALL STYLES,
WHICH THEY ARE OFFERING AT IMPORTERS' AND MANUFACTURERS' PRICES.
TAPESTRY CARPETS AS LOW AS $1 75 PER YARD.
CARPETS MADE UP AND LAID AT SHORT NOTICE.

M. GREGG,
NO. 19 5TH-AV.,
Has an elegant assortment of
WINTER CLOAKS,
IN SILK, CLOTH AND VELVET,
which she is offering at a reduced price.

Miss GREGG has also opened a Dress-making department in connection with her business, and has just received some elegant dinner and evening dresses from Paris.

No. 19 5th-av.

FOUNTAIN'S INDIA STORE.

INDIA, CHINA, JAPAN, AMERICAN, INDIAN, and other RARE ARTICLES, wholesale and retail.

Catalogues free. Store open pleasant evenings.

No. 858 BROADWAY, (eight hundred and fifty-eight.)

FURS.

FINE MINK, SABLE, SQUIRREL, AND other varieties of fure, at reduced prices, at PHILLIPS', No. 230 Bleecker-st. Repairing and altering faithfully executed.

HOLIDAY GOODS.

LADIES' AND GENTLEMEN'S DRESSING and Writing Cases. Portfolios, Pocket-books Card-cases, Banker's Cases. Manufacturers, WM. T FRY & CO., Nos. 134 and 136 William-st., New-York.

W. T. FRY & CO., MANUFACTURERS of the well-known Fry's patent pocket flask metal flasks, soap boxes, drinking cups, reward meda &c. Manufactory Nos. 134 and 136 William-st., N. Y

LIFE INSURANCE.

THE MUTUAL LIFE
INSURANCE COMPANY OF N

FINANCIAL.

Fisk & Hatch

BANKERS AND DEALERS

IN

GOVERNMENT SECURITIES.

NO. 5 NASSAU-ST.,

BUY AND SELL AT MARKET RATES:

U. S. SIX PER CENT. BONDS of 1881,
U. S FIVE-TWENTY BONDS,
U. S. SEVEN-THIRTY TREASURY NOTES,
U. S. TEN-FORTY BONDS,
U. S. ONE-YEAR CERTIFICATES,
U. S. COMPOUND INTEREST NOTES,
U. S. THIRTY-YEAR BONDS, Pacific R. R. issues,
Central Pacific Railroad State Aid Bonds,
and other desirable Securities.

Also, receive deposits and make collections on favorable terms.

BANKING HOUSE
OF
JAY COOKE & CO.
Corner Wall and Nassau Sts., New York.

We buy and sell at the most liberal current prices, and loan on hand a full supply of
GOVERNMENT BONDS OF ALL ISSUES,
SEVEN-THIRTIES,
AND
COMPOUND INTEREST NOTES.
And execute orders for purchase and sale of STOCKS, BONDS AND GOLD.

JAY COOKE & CO.

WINSLOW, LANIER & CO.

BANKERS,

NOS. 27 AND 29 PINE-ST.,

NEW-YORK.

DRAW ON LONDON AND PARIS, MOBILE AND NEW-ORLEANS. ISSUE CIRCULAR LETTERS OF CREDIT FOR TRAVELERS, AVAILABLE IN ALL PARTS OF EUROPE.

Interest allowed on Deposits.

ADAMS, KIMBALL & MOORE,

BANKERS,

NO. 14 WALL-ST.,

BUY AND SELL AT MARKET RATES

GOVERNMENT SECURITIES

Advances, and execute orders for purchase and sale of STOCKS, BONDS AND GOLD

Henry Clews & Co.,

BANKERS,

No. 32 Wall-st., New-York.
UNITED STATES SECURITIES
Purchased and for sale.
All issues on hand ready for instant delivery.
ORDERS FOR STOCKS, BONDS AND GOLD EXECUTED.
Merchants, Bankers and individuals opening accounts with us will be allowed
4 PER CENT. INTEREST ON ALL DAILY Balances, subject to check at sight.
COLLECTIONS MADE ON ALL POINTS.

U. S. SECURITIES A SPECIALTY.

SMITH, RANDOLPH & CO.,

BANKERS.

NO. 16 SOUTH 3D-ST., PHILADELPHIA. | NO. 3 NASSAU-ST., NEW-YORK.

DEALERS IN
GOVERNMENT SECURITIES.
BROKERS IN
STOCKS AND GOLD

GREENLEAF, NORRIS & CO.,

BANKERS AND BROKERS,
NO. 6 NEW-ST.,
Stock Exchange Building,
NEW-YORK.
A. W. GREENLEAF, BENSON VAN VLIET,
JOHN B. NORRIS, M. F. HAZEN.

BROWN BROTHERS & CO.,

NO. 59 WALL-ST.,
ISSUE COMMERCIAL AND TRAVELERS' CREDITS FOR USE IN THIS COUNTRY AND ABROAD

AMERICAN BANKING, EXCHANGE AND COMMISSION HOUSE.

Nos. 3 and 5 Rue Scribe, Paris, France.
JAMES W. TUCKER,
EDWARD R. ANDREWS.

JAMES W. TUCKER & CO. buy and sell United States securities and Foreign Exchange, issue and cash Letters of Credit, as well as transact a general commission business, and refer, by permission, to the following gentlemen:

REFERENCES:

WM. T. ANDREWS, Esq., President National City Bank, Boston.
WM. H. ASPINWALL, Esq., New-York.
JAMES N. BEAL Esq., President Second National Bank, Boston.
WM. T. BLODGETT, Esq., New-York.
T. HALL FAILE Esq., New-York.
DUDLEY S. GREGORY, Esq., Jersey City, New-Jersey.
GEORGE GRISWOLD Esq., New-York.
STEPHEN HYATT, Esq., New-York.
WM. S. JENKINS, Esq., Cashier Bank of America, New-York.
AMOS A. LAWRENCE, Esq., Boston.
H. H. MACY, Esq., President Leather Manufacturers' Bank, New-York.
MOSES TAYLOR, Esq., President City Bank, New-York.
JONATHAN THORNE, Esq., New-York.
E. SANDS TUCKER, Esq., New-York.
JOHN E. WILLIAMS, Esq., President Metropolitan Bank, New-York.
W. H. WEBB, Esq., New-York.
SAML. WHEELER, Esq., New-York.
Messrs. JAS. M. BEEBE & CO., Boston.
Messrs. CLARK ADAMS & CLARK, Boston.
Messrs. C. F. HOVEY & CO., Boston.
Messrs. HOWES & MACY, Bankers, No. 30 Wall-st., New-York.
Messrs. HOTT BROTHERS, New-York.
Messrs. RUSSING, GROCKER & CO., New-York.
Messrs. SPOFFORD, TILESTON & CO., New-York.
Messrs. W. A. & A. M. WHITE, New-York.
Messrs. WM. F. WELD & CO., Boston.

NATIONAL EXPRESS AND TRANSPORTATION COMPANY.

TRUSTEES' NOTICE.

The undersigned, having been requested by the Board of Directors, and also formally required by creditors of the Company, to take possession of all such property of said Company as, by the terms of its deed of assignment, executed on the 24th day of September, 1866, did not pass immediately into their hands—

Hereby give notice that they have taken the said property into possession, with a view to the execution of the trust.

And they give further notice that they will receive written proposals up to the 10th of December, 1866, for the purchase, for cash, of the whole property of the Company, in gross or in detail, at different points—the same consisting of wagons, horses, safes, furniture, and all other articles heretofore employed by said Company in the prosecution of its business.

Inventories showing the character and location of the property can be seen at the office of the Trustees, No. 134 Baltimore-street, Baltimore, where all information in regard to the same will be afforded to persons desiring to submit proposals.

If no such proposals be received and accepted, the property will be offered at public sale, for cash, at such times and places as will be indicated in future advertisements.

JOHN BLAIR HOGE,
JOHN J. KELLY,
C. OLIVER O'DONNELL, } Trustees.

UNITED STATES TREASURY.

DEC. 3, 1866.

Schedules of (30) Thirty or more Seven and three-tenths Coupons, payable Dec. 15th, inst., will now be received for examination.

H. H. VAN DYCK, Assistant Treasurer.

CITY OF MAYSVILLE, KY., 6 PER CENT. BONDS,

City of Covington, Ky., 6 per cent. bonds.
City of Steubville, Ohio, 7 per cent. bonds.
Wanted by W. C. EGLESTON, No. 54 Chatham-st.

NOTICE IS HEREBY GIVEN TO THE stockholders of the WASHINGTON MARINE INSURANCE COMPANY, of the City of New-York:

That at a special meeting of the Directors of said Company, held at their office, No. 40 Pine-st., in said City, on the 30th day of November, A. D. 1866, in view of a deficiency in the capital of said Company, caused by unprecedented marine disasters, and under and in pursuance of section 11 of the charter of said Company, and of the statute in such case made and provided, it was unanimously resolved that an assessment of forty per cent. be and the same was accordingly duly assessed upon each and every share of the capital stock of said Company, payable at the office of said Company, No. 40 Pine-st., in said City, on or before the 3d day of January, 1867.

NEW-YORK, Dec. 1, 1866.

A. L. McCARTHY, Secretary.

NOTICE IS HEREBY GIVEN THAT pursuant to adjournment to meet at the call of the Committee appointed to investigate the affairs of the Company, a meeting of the stockholders of the New-York Mail Steamship Company will be held at the office of the Company, No. 5 Bowling-green, in the City of New-York, on WEDNESDAY, the 12th day of December next, at 12 o'clock, M., to hear the report of the Committee, and for such action thereon as may be deemed expedient. By order of the Committee,

H. P. ALLEN, Chairman.

NEW-YORK, Nov. 24, 1866.

PAH-RANAGAT VALLEY SILVER MINING COMPANY.—Notice is hereby given that an election by the stockholders of seven Trustees, to manage the affairs and concerns of the PAH-RANAGAT VALLEY SILVER MINING COMPANY, for the ensuing year, will be held at the office of Brown, Hall & Vanderpool, No. 271 Broadway, in the City of New-York, on the 12th day of December, 1866, at 12 o'clock, noon, of that day. The transfer books will be closed from the 8th to 13th day of December, inclusive. By order of

AUGUSTUS L. BROWN, Acting Secretary.

NEW-YORK, Dec. 1, 1866.

OFFICE OF THE TRUSTEES OF CREDITORS AND STOCKHOLDERS OF THE OHIO AND MISSISSIPPI RAILROAD COMPANY, EASTERN DIVISION, No. 68 WALL-ST. NEW-YORK, Dec. 3, 1866.

PURSUANT TO THE TERMS OF THE agreement the annual meeting of the owners of certificates issued by the Trustees of creditors and stockholders of the Ohio and Mississippi Railroad Company, (E. D.) will be held at the office of the Trustees, No. 68 Wall-st., in the City of New-York, on WEDNESDAY, the 12th of December, 1866, at 12 o'clock, noon.

ALLAN CAMPBELL, Chairman.

INTEREST NOTICE.—THE WILMINGTON & MANCHESTER R. R. COMPANY, of South Carolina, hereby gives notice that it has placed to the credit of its First Preferred First Mortage Bondholders, with M. K. Jesup & Co., No. 84 Broadway, the semi-annual interest due on said Bonds on Dec. 1, 1866. Holders of Coupons will please call and collect their interest.

HENRY M. DRANS, President.

WILMINGTON, N. C., Nov. 25, 1866.

REMITTANCES TO GREAT BRITAIN AND IRELAND.—Drafts for £1 and upward, payable on demand, issued at lowest rates by

TAPSCOTT, BROTHERS & CO.,
No. 56 South-st. and No. 29 Broadway.

FINANCIAL.

VERMILYE & CO.,

NO. 44 WALL-ST.,

BANKERS AND DEALERS

IN

GOVERNMENT STOCKS

AND

COMPOUND INTEREST NOTES.

CLOSING PRICES.

NEW-YORK, Dec. 3, 1866.

	Buy.	Sell.		Buy.	Sell.
Registered '81.	108½	109	June, 7-30.....	105¾	106¼
Coupon, 1881..	113	113¼	July, 7-30.....	106¾	106¾
5-20 Regist'd '62.	106½	107	June, O.L.N'ts, '64	116¾	116¾
5-20 Coupon, '62.	108¾	108¾	July, O.L.N'ts, '64	115¾	115¾
5-20 Coupon, '64.	108¾	108¾	Aug., O.L.N'ts, '64	115¾	115¾
5-20 Coupon, '65.	107½	107¾	Oct., O.L.N'ts, '64	114¼	114¼
5-20 " new, '65.	108½	108¾	Dec., O.L.N'ts, '64	113¼	113¾
10-40 Registered.	99¾	100	May, O.L.N'ts, '65	111¾	111¾
10-40 Coupon.....	100	100¼	Aug., O.L.N'ts, '65	110¾	110¾
Gold.....	140¾	140¾	Sept., O.L.N'ts, '65	110¼	110¾
August, 7-30.....	108¾	108	Oct., O.L.N'ts, '65	109¾	110

FIRST MORTGAGE BONDS

OF THE ST. PAUL AND PACIFIC RAILROAD OF MINNESOTA,

which are only $10,000 per mile on finished road. For sale by TUCKER BROTHERS,
Bankers, corner of Nassau and Pine sts.

INTEREST DUE 1ST DECEMBER

Upon the Real Estate Bonds of St. Paul and Pacific Railroad Company of Minnesota will be paid on and after that date at the office of Turner Brothers, Bankers.

GEORGE L. BECKER,
President and Land Commissioner.

FOR SALE—BELT RAILROAD STOCK CHEAP; ALSO OTHER CITY RAILROAD SECURITIES AND FULL LINE OF INSURANCE, CITY AND COUNTY STOCKS AND BONDS, AT LOW RATES, FOR INVESTMENT. ALBERT H NICOLAY,
STOCK BROKER AND AUCTIONEER,
NO. 43 PINE-ST., NEW-YORK.

STATE OF ILLINOIS, TREASURER'S OFFICE, SPRINGFIELD, Nov. 25, 1866.

THE INTEREST ON THE PUBLIC debt of the State of Illinois, maturing on the 1st Monday of January, 1867, will be paid at the Ocean National Bank of the City of New-York, on the 7th, to the 22d inclusive, of January, 1867.

JAMES H. BEVERIDGE, State Treasurer.

EAST RIVER NATIONAL BANK.—THE annual election for fifteen Directors of this Bank will be held at the banking-house, No. 680 Broadway, on TUESDAY, the eighth day of January, 1867, between the hours of 2 and 3 o'clock P. M.

WM. S. CARMAN, Cashier.

TO THE HOLDERS OF THE BONDS and coupons of the Mississippi and Missouri Railroad Company, secured by the mortgage executed by said company, dated May 8, 1857, and conveying to THOMAS E. WALKER and CURTIS RAYMOND, as trustees, a division of said company's railroad, known as the Second division, extending westwardly from Iowa City, and all the rolling stock and other property appurtenant thereto, together with all the interest of said company in the lands granted by the United States to the State of Iowa, and by said State to said company in aid of the construction of said railroad, by the several acts of Congress and of the General Assembly of Iowa, set forth or referred to in said mortgage. Notice is hereby given to present their bonds and coupons at the office of the Chicago, Rock Island and Pacific Railroad Company, in the City of New-York within 3 years from the ninth day of July, 1866, for payment of the amount to be paid thereon by the undersigned, present trustees of said mortgage, in pursuance of the decree of the Circuit Court of the United States for the District of Iowa, made May 11, 1866, by which decree said mortgage was foreclosed, and in obedience to which decree the said mortgaged property has been sold, and certain moneys, being proceeds thereof, have been paid to the undersigned as such Trustees for the benefit of the holders of said bonds and coupons, and to share therein; and as a permanent investment, they present to the capitalist or speculator a prospect of the highest remuneration, from new connecting railroads, and the general improvements progressing in that section of the country. For further particulars apply to WM. BRYCE & CO., No. 29 Chambers and No. 5 Reade sts., where a map of the lands can be seen.

BROADWAY PROPERTY FOR SALE.—For sale, by order of the executors of Asa Fitch, deceased, the property known as Nos. 82, 84, 86, 88 and 90 Broadway, and Nos. 41 and 43 New-street, and known as the Public Stores, having a frontage on Broadway of about 125 feet, about 130 feet on New-street, and on Exchange-place of about 124, and on the southerly line of about 154 feet, being the largest compact parcel of improved real estate offered for sale south of the City Hall. The lots are covered by substantial and comfortable warehouses, now let to the late owner, and are to be sold either subject to a lease to the United States Government, expiring on the 1st May next, or for full and immediate possession at that date. One-half of the purchase money can remain on bond and mortgage, at 7 per cent., for a terms of years, or all can be paid on delivery of the deed.

For further particulars inquire of
HOMER MORGAN, No. 2 Pine-st.

A DESIRABLE FARM OF 125 ACRES FOR SALE—Situated at Union-place, (formerly Black Stump,) Long Island, two miles from Jamaica and three from Flushing; 92 acres of the land are in a good state of cultivation, the balance of wood and salt meadow; there are a good dwelling-house and suitable outbuildings. Inquire on the premises of D. W. SKIDMORE, or of GEORGE SKIDMORE, No. 79 Cedar-st.

FOR SALE—FARM OF 44 ACRES, LOCATED IN Rockland County, 3 miles from depot; good road; two good houses, barns, &c.; well fruited; a fine spring of water close to the house, and a small stream of water running through the farm. Will sell for $5,500 if sold soon, and immediate possession given. Apply to CROCKER & HAIGHT, No. 1 Spruce-st., Tribune Buildings.

TO CAPITALISTS.—FOR SALE, A VALUABLE piece of ground, 27 acres of land, situated in East Chester, 14 miles from the City Hall and 2 miles from Williamsbridge; mansion 45 feet square, with wings attached, and with all necessary improvements; commanding views of the land and adjacent country. Apply to HOMER MORGAN, No. 2 Pine-st.

FOR SALE—THE FOUR-STORY BROWN-stone house and full lot No. 19 East 25th-st., between Madison and 4th ave.; one of the most convenient and desirable situations in the City; house built for the owner; first-class and in good order; immediate possession given. Apply to HOMER MORGAN, 2 Pine-st.

ORANGE, N. J.—VILLAS, VILLA SITES AND farms, a great variety, beautifully situated, one hour from New-York, for sale low. Also, country seats and houses to let for the season or year. J. V. ACKERWELL & SMITH, No. 99 William-st., New-York, 9 to 11 A. M.; Orange, corner Main and Cone sts., 1 to 5 P. M.

FOR SALE—THE COUNTRY SEAT OF THE late J. B. Herrick, about 24 acres, situated on the Hunt's Point Road, in Westchester county, three miles from Harlem Bridge. Apply to
E. H. LUDLOW & CO., No. 4 Pine-st.
J. H. HERRICK, No. 16 South-st.

A SPLENDID NEW BROWN-STONE high-stoop house for sale cheap, five minutes' walk from Central Park; house and location first-class; immediate possession, now on premises, No. 136 60th-st., north side, near Lexington-av., of JOHN GLASS.

HOUSE AND STABLE ON 14TH-ST. FOR SALE.—For sale the first-class house and stable, No. 109 West 14th-st., 37½ feet wide, lot 125 feet deep; in good order. Apply immediate purchaser; price, $65,000. Apply to HOMER MORGAN, No. 2 Pine-st.

FOR SALE, LEASE AND RENT—DESIRable property on and near Broadway, embracing several corners, between Murray and Prince-sts.
W. P. SEYMOUR, No. 171 Broadway.

FOR SALE—AN ENTIRE FRONT ON MADISON-av., above 57th-st., with extra lots in the rear, if desired. Apply to E. H. LUDLOW & CO.,
No. 3 Pine-st.

GREENWOOD CEMETERY.—FOR SALE A desirable lot, handsomely inclosed, on one of the most eligible sites, surrounded by good improvements. Apply to G. G. SPENCER, No. 106 Front-st.

NEAT COTTAGE HOUSES, WITHIN an hour of New-York, on reasonable terms and at prices ranging from $4,000 to $9,000.
A. D. MELLICK, JR. & BRO., No. 26 Pine-st.

FIVE BROWN-STONE HOUSES FOR sale cheap for cash, on Lexington-av. and 40th-st. Immediate possession.
J. M. COBURN.

A. J. BLEECKER & CO., NO. 77 CEDAR-st., Real Estate Brokers and Auctioneers, buy, sell, lease and exchange real estate, both in city and country. Some very desirable estates now offered at private sale.

WANTED—TO PURCHASE OR LEASE, FOR A term of years, three or four lots, within the area bounded by Chambers, Canal Elm and Greenwich sts. Address, stating price and locality, J. YOUNGS, No. 398 9th-st., N. Y.

WANTED—TO LEASE, WITH PRIVILEGE OF purchasing, a small well-improved farm in the immediate vicinity of New-York. Address AGRICULTURE, Box No. 134 *Times* Office.

WANTED—TO PURCHASE IN FEE, A VACANT lot, 25x100, between Madison and 6th ave. and 30th and 40th sts., not to exceed $10,000 cash. Address FEE, Box No. 113 *Times* Office.

TO LET.

FURNISHED HOUSE TO RENT—UNTIL the 1st of May or longer, in the City of Poughkeepsie, on Mansion Square; said house contains four large rooms on the first floor, including kitchen, five on the second floor and three in the attic. For further particulars inquire of W. B. LENT, at Randolph's book-store, No. 770 Broadway, or by letter of GEO. B. LENT, on the premises.

BROOKLYN HEIGHTS—TO LET, A THREE-story full sized house with gas and bath; furnished throughout, and furniture for sale; price $4,000 cash; including rent to May. Address SIDNEY, *Evening Post*, New-York.

TO LET—A SUITE OF FINE OFFICES AT NO. 156 Broadway, Manhattan Building; rooms Nos. 8 and 9; also choice desk room at Nos. 158 and 157 Broadway, Room No. 8. Apply to
HOMER MORGAN, No. 2 Pine-st.

TO LET—WITH STEAM POWER, SPLENDID light airy rooms, located at No. 107 Pineapple-st., Brooklyn. Apply to C. F. BLAKE, corner of Fulton and Pineapple sts., Brooklyn.

A FEW NEWLY-FURNISHED ROOMS to let at reasonable rates, to gentlemen only. Apply at No. 26 Lexington-av., corner of 28th-st.

TO LET—A SUITE OF ROOMS IN HOWERY, near 4th-st.; parlor, kitchen and two bedrooms. Apply at No. 55 4th-st.

TO LET—THE NEW SIX-STORY BUILDING and basement No. 238 Canal-st. Apply to A. TUSKA, No. 245 Canal-st.

A FURNISHED FRONT ROOM FOR ONE or two gentlemen, without board, in a first-class house, No. 34 West 26th-st., near Madison Park.

EXPRESSES.

GLOBE EXPRESS COMPANY.

Office, Nos. 3 and 4 Rector-st., Empire Building.
Temporary office, No. 298 Broadway.

The GLOBE EXPRESS COMPANY will THIS DAY open its first line between New-York, Philadelphia, Baltimore and Washington, for
HEAVY FREIGHT AND PACKAGES.

They will call for and deliver promptly at the following rates:

For heavy freight to Philadelphia.....	40c. per 100 lbs.
For heavy freight to Baltimore.....	90c. per 100 lbs.
For heavy freight to Washington.....$1 20	per 100 lbs.
For heavy freight to Georgetown, D. C. 1 20	per 100 lbs.
For heavy freight to Alexandria..... 1 80	per 100 lbs.

Packages and valuables will be taken at as reasonable rates as by any other responsible Company.

The Company is arranging to rapidly open its offices at all important points through the South, and Southwest, as fast as possible.

This Company are prepared to pay promptly for any loss or damage that may occur.

Orders may be left at either of the above offices.

S. W. WILSON, Superintendent.
S. GWINN, President,
E. C. PECHIN, Treasurer, } No. 42 Broadway.

VALENTINES.

THE NEW-YORK UNION VALENTINE COMPANY have an immense stock of valentines on exhibition to the trade at their salesrooms, Nos. 134 and 136 Williams-st., New-York.

MUSICAL.

STEINWAY & SONS'
Grand, Square and Upright
PIANO-FORTES

Have taken Thirty-five First Premiums at the Principal Fairs held in this country within the last ten years, and also were awarded a First Prize Medal at the Great International Exhibition in London, 1862, in competition with 200 Piano fronts of all parts of the world.

That the great superiority of these instruments is now universally conceded is proven by the fact that Messrs. Steinways' scales, improvements and peculiarities of construction" have been copied by the great majority of the manufacturers of both hemispheres, (*as closely as could be done without infringement of patent rights,*) and that their instruments are used by the most eminent pianists of Europe and America, who prefer them for their own public and private use whenever accessible.

Every Piano is constructed with their "Patent Agraffe Arrangement," *applied directly to the full Iron Frame,*

STEINWAY & SONS direct special attention to their newly-invented "*Upright*" Pianos, with their "*Patent Resonator*" and *double* Iron Frame, patented June 5, 1866. The invention consists in upsetting the instrument (in addition to the iron frame in *front* of the soundboard) with an iron brace frame in the *rear* of it, both frames being cast in *one piece*, thereby imparting a solidity of construction and capacity of standing in tune never before attained in that class of instrument.

The soundboard is supported between the two frames by an apparatus regulating the tension, so that the greatest possible degree of sound-producing capacity is obtained, and regulated to the nicest desirable point.

The great volume and exquisite quality of tone, as well as elasticity and promptness of action, of these new Upright Pianos, have elicited the unqualified admiration of the musical profession and all who have heard them.

STEINWAY & SONS confidently offer these beautiful instruments to the public and invite every lover of music to call and examine them.

Letter from the Celebrated European Pianist,
ALEXANDER DREYSCHOCK,
Court Pianist to the Emperor of Russia.

ST. PETERSBURGH, Sept. 29, 1865.

Messrs. STEINWAY & SONS: I cannot refrain from expressing to you my undisguised admiration of your *in every respect matchless* Grand Pianos, (which I used at my last concert in Brunswick,) and desire nothing in the world so much as to be able to perform upon one of these masterpieces here. Send me, therefore, (care of Johann David Hoerie & Co. in St. Petersburgh,) one of your Concert Grand Pianos—of course at most moderate artist's price—and inform me, without delay, in which manner I can best remit the purchase money to you.

Respectfully yours,
ALEXANDER DREYSCHOCK.

LETTER FROM WILLIE PAPE,
Court Pianist to the Royal Family of England.

LONDON, England, Feb. 4, 1866.

Messrs. STEINWAY & SONS: I am much pleased to see the rapid advances you are making, and the numerous certificates you have so deservedly obtained. Should my humble opinion be of any weight, you may add that I give my *four hundredth* Piano-forte recital, at Cheltenham, on the 10th of this month, since my arrival here; that during my four years' visits to Paris, I have used the Grand Pianos of all the first European manufacturers, but have found *no instrument equal to the one I purchased of you.* In fact, I consider one of your finest Square Pianos equal to any of the Grand Pianos manufactured here.

Truly yours,
WILLIE B. PAPE,
Pianist to H. R. H. the Princess of Wales.

STEINWAY & SONS' PIANOS are the only American instruments exported to Europe in large numbers and actually used by the great pianists in European concert-rooms.

WAREROOMS,
FIRST FLOOR OF STEINWAY HALL,
Nos. 71 and 73 East 14th-st.,
Between 4th-av. and Irving-place,
NEW-YORK.

KINDT & HANZ

MANUFACTURERS OF GRAND AND SQUARE PIANO-FORTES,

having removed to their new and spacious warerooms, No. 865 Broadway, between 17th and 18th sts., New-York, would respectfully ask the attention of those wishing to purchase a piano to their improvements and superior instruments. These are all manufactured under their personal supervision, and from their great experience and close attention, they are enabled to furnish them unsurpassed by any in brilliancy, delicacy and compass of tone, combined with a superiority of workmanship, which insures the greatest possible durability.

All of these are constructed with the Agraffe arrangement, and each instrument will be warranted for five years.

DECKER BROTHERS'

PATENT PLATE PIANO-FORTE.

The public and the patrons of the WELL-KNOWN DECKER PIANOS are cautioned against buying any Decker Piano which purports to be a Decker Brothers' Piano, and does not have on the name board and on the iron plate at the left side the words,

DECKER BROTHERS' PATENT, JUNE, 1863.

The Decker Brothers' Pianos are sold at No. 91 Bleecker-st. only, and at no other place in New-York City.

DECKER & CO.

NEW SCALE IVORY AGRAFFE BAR PIANO FORTES.

Pronounced by our most eminent musicians the BEST PIANO MADE. Call and examine.

NO. 419 BROOME-ST.,

One block east of Broadway.

The above piano we warrant for the term of seven years.

FIRST-CLASS NEW PIANOS

FOR SALE AND TO RENT

on moderate terms, at HAINES BRO'S Factory and Warerooms,

Both corners of 21st-st. and 2d-av.

ED. MOLLENHAUER'S MUSICAL CONSERVATORY,

SCHUBERT'S BUILDING, NO. 220 BROADWAY.

Instruction in vocal and instrumental music $10 per term.

WATERS' SQUARE AND UPRIGHT PIANOS, MELODEONS AND CABINET ORGANS, the best manufactured, to let, and rent allowed if purchased. Monthly payments received for the same. Second-hand pianos at bargains, from $50 to $225. Old pianos taken in exchange. Liberal discount to teachers and clergymen. Cash paid for second-hand pianos. Pianos tuned and repaired. New 7-octave pianos for $225 and upward. Warerooms No. 481 Broadway, N. Y.

HORACE WATERS.

HAZELTON BROTHERS, PIANO-FORTE manufacturers, would call the attention of musicians and the public generally to the many and great improvements in the construction of their pianos. Their "EUPHONIC AGRAFFE TREBLE" has been tested by the highest musical talent in the country, and conceded by all to possess power, brilliancy and sweetness in the highest degree.

Warerooms, No. 99 Prince-st.

CHRISTMAS MUSIC, CHRISTMAS ENGRAVings, Christmas Stories, and other Christmas Novelties, beside a full-size pattern of the new and elegant Peplum Basque, in the December number of DEMOREST'S MONTHLY MAGAZINE, now ready. Sample, 30 cents, mailed free; yearly, $3 with a beautiful premium. No. 473 Broadway, New-York.

NEW SCALE ROSEWOOD PIANOS, with round corners, iron frame, overstrings, &c., $300 to $350; with covered legs, two rows of moulding, &c., $325 to $375; double round corners, extra carvings, $400 to $700; second-hand pianos, $50 to $150.
FREDERICK BLUME, No. 248 Bowery.

UNITED PIANO-FORTE MAKERS,

No. 84 Walker-st., New-York.

Our company being composed entirely of superior workmen, we are enabled to produce a more perfect Piano-forte than any other house.

Every instrument guaranteed for five years.

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MEETINGS.

NEW-YORK LIQUOR DEALERS' SOCIETY.—A regular monthly meeting of this Society will be held at the Metropolitan Rooms, No. 160 Hester-st., on TUESDAY EVENING, Dec. 4, 1866, at 7½ o'clock, N. B.—No person admitted without their card of membership.

By order, JOHN H. WILLIAMS, President.
JOHN MERCHANT, Recording Secretary.

NEW-YORK HISTORICAL SOCIETY.—A stated meeting will be held at the Library on TUESDAY EVENING, Dec. 4, at 7½ o'clock. JOHN ROMEYN BRODHEAD, L.L. D., will read a paper on *The Government of Sir Edmund Andros over New-England* in 1688 and 1689.

ANDREW WARNER, Recording Secretary.

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LEONARD GROVER.....Director

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LAST NIGHTS ABSOLUTELY

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of Dion Boucicault's wonderfully-popular drama,

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The scenery and ensemble superb, and the acting will long remain in the memory of

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Each character seems as though especially written by the great modern dramatist for the person who enacts it in

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Mr. CHARLES WHEATLEIGH'S great impersonation of the "Crazy Enthusiast," NOAH LEAROYD.

LAST NIGHTS OF

Mr. STODDART'S famous rendition of

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"I'M BOUND TO SEE THE THING THROUGH."

Say the able critics of the TIMES, *Tribune*, *World*, *Express*, *Post*, *News*, *Dispatch*, *Mercury* and the entire New-York Press:

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LAST NIGHTS OF MISS KATE NEWTON,

in the delicate and touching phases of the life of the humble Factory Girl,

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This GREAT DRAMA, replete with telling points, and giving an evening's amusement not unmixed with higher aims and results, provoking the admiration of every one, even the most moderate artist's

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THIS (Tuesday) EVENING, in addition to the LONG STRIKE, will be presented

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No extra charge for reserved seats, which can be secured any day during the week.

BROOKLYN ACADEMY OF MUSIC.

OPERATIONS OF OUR ARMIES.

REPORT OF GEN. U. S. GRANT.

A Brief Preface from the Commander-in-Chief—Reports from the Military Departments—Indian Troubles—The Fenian Invasion—Gen. Sheridan on Maximilian and Texas Rebels—Gen. Sickles on Freedmen and Loyalty in the South.

HEADQUARTERS ARMIES OF THE UNITED STATES, WASHINGTON, Nov. 21, 1866.

SIR: Since my report for 1865, the volunteer force then in service has been almost entirely replaced by the regular army, mostly organized under the Act of Congress, approved 28th July, 1866. The report of the Adjutant General of the army gives exact statistics on this subject.

CONDITION OF THE SOUTH.

Passing from civil war of the magnitude of that in which the United States has been engaged to government through the courts, it has been deemed necessary to keep a military force in all the lately rebellious States, to insure the execution of law and to protect life and property against the acts of those who, as yet, will acknowledge no law but force. This class has proven to be much smaller than could have been expected after such a conflict. It has, however, been sufficiently formidable to justify the course which has been pursued. On the whole, the condition of the States that were in rebellion against the Government may be regarded as good enough to warrant the hope that but a short time will intervene before the bulk of the troops now occupying them can be sent to our growing Territories, where they are so much needed.

REPORTS OF OTHER OFFICERS.

I respectfully refer you to the reports of Gens. Sherman, Halleck, Meade, Sheridan, Thomas, Sickles, McDowell, Pope and Steele, herewith, for full information of the condition of the States and Territories under their command. The last of these reports is but this moment received. The time has passed when they should be in the hands of the printer to prepare them for presentation to Congress on its assembling. To make a full report I would have to get my facts from these reports. Time not permitting, I beg to refer to them in lieu of their condensation by me.

INDIAN TROUBLES.

With the expiration of the rebellion, Indian hostilities have diminished. With a frontier constantly extending and encroaching upon the hunting-grounds of the Indian, hostilities, opposition at least, frequently occur. To meet this, and to protect the emigrant on his way to the mountain territories, troops have been distributed to give the best protection with the means at hand. Few places are occupied by more than two, and many by but a single company. These troops are generally badly sheltered, and are supplied at great cost. During the past Summer inspections were made by Gens. SHERMAN, POPE, INGALLS, SACKETT and BABCOCK, to determine the proper places to occupy to give the best protection to travel and settlements, and to determine the most economical method of furnishing supplies. The labor of putting up temporary quarters is performed by the troops intending to occupy them. In the course of the next season more permanent buildings will be erected, however, which will entail an expense for material at least. I would respectfully suggest, therefore, that an appropriation for this special purpose be asked.

THE PEACE ESTABLISHMENT.

The permanent peace establishment being much larger than has been heretofore provided for, an appropriation for building barracks, storehouses, &c., to meet present wants, seems to be required. The reports of the heads of the staff departments of the army, particularly that of the Quartermaster-General, may cover this point.

INDIAN BUREAU SHOULD BE IN THE WAR DEPARTMENT.

I would respectfully suggest for the consideration of Congress the propriety of transferring the Indian Bureau from the Interior to the War Department, and the abolition of Indian agencies, with the exception of a limited number of Inspectors. The reason for this change are numerous, and both obvious and satisfactory. It would result in greater economy of expenditure, and, as I think, diminution of conflict between the Indian and white races.

I have the honor to be, very respectfully, your obedient servant,

U. S. GRANT, General.

Hon. E. M. STANTON, Secretary of War.

Report of Maj.-Gen. P. H. Sheridan.

HEADQUARTERS DEPARTMENT OF THE GULF, NEW-ORLEANS, La., Nov. 14, 1866.

GENERAL: In compliance with letter of instructions, dated Oct. 4, 1866, I have the honor to make the following report of operations within the limits of my command since May, 29, 1865:

EXTENT OF THE DEPARTMENT OF THE GULF.

On the 17th of May, 1865, I was relieved from command of the middle military division, and assigned to the command of all the territory west of the Mississippi and south of the Arkansas Rivers, with directions to report to Lieut.-Gen. GRANT for instructions.

This territory embraced at that time within its limits the only organized rebel army left in the Confederacy, which was under the command of the rebel General EDMUND KIRBY SMITH, with headquarters at Shreveport or vicinity, in the State of Louisiana.

BREAKING UP THE LAST REBEL ARMY.

My instructions from the Lieutenant-General were to operate against this command, to break it up or destroy it. For this purpose I was authorized to draw from Major-Gen. J. J. REYNOLDS, commanding Department of Arkansas, 12,000 men, and from Major-Gen. E. R. S. CANBY, commanding the military division of West Mississippi, 25,000 men, together with the Fourth and Twenty-fifth Army Corps, and a column of from 8,000 to 9,000 cavalry, to be collected from Louisiana, West Tennessee, Mississippi and Alabama. The aggregate strength of this force was about 80,000 men.

ESCAPE OF KIRBY SMITH—BEHAVIOR OF THE REBEL TROOPS.

On the 29th of May I assumed control of this new command, designating it the "Military Division of the Southwest," with headquarters at New-Orleans, La., and at about the same time received intelligence of the surrender of E. KIRBY SMITH, through Commissioners sent from him to Maj.-Gen. CANBY. This surrender was made, but bore upon its face double dealing on the part of the rebel commander or his agents, as the Texas troops had declined to surrender, and had disbanded to their homes, destroying magazines and carrying with them arms and ammunition from the different arsenals. Gen. SMITH proceeded to Galveston, and from thence escaped to Mexico, in violation of the agreement he had bound himself to observe. This conduct on his part may have arisen from the fact that it could not be concealed that his real object in offering to surrender was to get security for the Arkansas, Louisiana and Missouri troops to return to their homes, knowing full well that the Texas troops did not intend to surrender, and that most of them had already gone to their homes; that while they were destroying their assouls, and carrying home with them their arms, it was their constant boast that they were not conquered, and that they would renew the fight at some future day.

REBELS TO INVADE MEXICO.

Previous to the surrender and in anticipation of the successful escape of JEFFERSON DAVIS, and his probable arrival in the trans-Mississippi Department, it had been contemplated to organize a column of 15,000 Confederates at Marshall, Texas, for the invasion of Mexico. The scheme failed, perhaps from the capture of Mr. DAVIS. But while the main scheme sending the 15,000 men to Mexico failed, numerous bands, squads and parties, numbering, perhaps, 3,000 or 4,000 men, crossed the Rio Grande into Mexico.

ENERGETIC MEASURES.

In view of this and the troubles of our sister republic, and taking into consideration the fact that all our military projects, during the war, against Texas had been failures, and that on this account the Union people there had come to look upon the Government as weak, it was determined to throw a large force into that State and along the Rio Grande border. The accomplishment of this purpose was accompanied with great labor from various causes, but it was successfully achieved.

DIFFICULTIES IN THE WAY.

Among the first difficulties were the inadequacy of the depot at this place for the requirements of the service to be accomplished; the absence of all mercantile marine, and the worthless character of most of the transportation held by the Quartermaster's Department here for the purpose of crossing the Gulf, or entering the ports of Texas; the destruction of all the wharves at the ports in Texas, with the exception of Galveston, by the Confederates, and the long line of communications to the points occupied in the interior, over which supplies had to be sent; and last, but not least, the great reluctance of the troops, officers and men, to continue for a longer period in the service, they claiming that they had fulfilled their contract with the Government, and that it was but just they should be mustered out.

VARIOUS MOVEMENTS AND THEIR RESULTS.

The movement of the Thirteenth Corps had been ordered before I reached New-Orleans. One division of it, under Major-Gen. F. J. HERRON, proceeded to occupy the line of the Red River in Louisiana, and Marshall and Jefferson, in Northeastern Texas. One division, under Major-Gen. F. STEELE, was under orders for the Rio Grande line. The third division, under Major-Gen. J. A. MOWER, was ordered to Galveston, from thence to occupy the line of railroad from Galveston to Brenham, while Major-Gen. GORDON GRANGER, who was in command of the corps, was assigned to general command in Texas.

While these movements of the Thirteenth Corps were in progress, I was rapidly collecting at Alexandria, Louisiana, a column of cavalry about 4,500 strong, to be commanded by Major-Gen. G. A. CUSTER, and another column at Shreveport, Louisiana, about 5,000 strong, to be commanded by Major-Gen. WESLEY MERRITT. These cavalry columns were collected from different points in the States before mentioned, and were transferred up Red River by steamboats under great difficulties from the low stage of the water, were organized into divisions, equipped, supplied, and prepared to march for their respective points of destination; MERRITT'S division to march to Marshall to San Antonio, and CUSTER'S division to Hempstead to Austin, Texas, the columns marching nearly parallel to each other, and something like a hundred miles apart.

These columns took with them a small pontoon train to cross streams on the line of march, and for the additional object of being able to cross the Rio Grande, should the Government elect to send troops in that direction.

While the movements of the Thirteenth Corps and Cavalry were going on, the Twenty-fifth Corps was embarked at City Point, Va., for the coast of Texas, to occupy the points of Indianola, Corpus Christi, Brazos Santiago, and the line of the Rio Grande—most of the corps, however, being sent to the Rio Grande line. Great trouble was experienced in the landing of the troops of this corps in consequence of the bad harbors in Texas, the great draught of vessels employed as transports, and the absence of suitable lighters to convey the troops across the bars.

While the foregoing operations were in progress, the Fourth Army Corps, numbering about 10,000 men, with all its field transportation, arrived at New-Orleans, having been ordered to report to me for service in Texas, and was transported as rapidly as possible to Indianola, from thence to Victoria, and ordered to occupy the line from that point to San Antonio.

The troops on the line from Galveston to Austin were supplied with comparative ease, as the bar at Galveston offered no very difficult obstacles. The wharves, although in bad condition, still sufficed; the railroad from Hempstead to Brenham was in condition to transfer our necessary supplies, and from Brenham to Austin there was a passable wagon-road.

The landing of the troops at Indianola was difficult on account of the dangerous bar, which had to be lightered over from the transports, and in consequence of the destruction of the wharves the lightering had to be, in most cases, to the shore in small boats. Then when the troops were landed there was no water for a distance of eighteen miles, and they had to be hurried over this distance as soon as landed, and from thence to Victoria, where timber and water could be obtained in abundance. Victoria is distant from Indianola about thirty-five or forty miles. After these difficulties had been overcome, it was found that the country between Indianola and Victoria was not passable for wagons in the Winter, and the railroad from Lavaca to Victoria had to be repaired at much labor and some expense, else the troops would have to come back to their supplies at Lavaca and Indianola, where there was no water. I therefore ordered the railroad repaired, and after it was in running order sold it to the company, covering the cost of repairs. The wharf at Indianola had also to be built entire, and when completed sold, to cover the expenses incurred.

But on account of these obstacles, and especially the difficulty of crossing the outer bar, which is about twenty miles from the landing, some of the transports had to return to New-Orleans or the mouth of the Mississippi River for water for the troops and coal for the transports.

At Brazos Santiago the wharf had been destroyed, and many of the same difficulties occurred here, and some of the transports had also to return to New-Orleans and the mouth of the Mississippi River for supplies of coal and water. The troops on this line were extended up the Rio Grande as far as Laredo, and on this line much the largest number of troops were placed. A wharf had to be built at Brazos, and at first the troops up the Rio Grande were supplied by small steamers which we had sent to that river; but the difficulties of entrance at the mouth of the Rio Grande made this line of supply very dangerous and precarious for the supply of the troops, as sometimes a transport could not cross the bar at the mouth of the river for nine or ten days. I therefore ordered the building of a railroad from Brazos to White Ranche, on the Rio Grande River, a distance of 11 miles, and this gave security over the supply of the troops. This railroad was afterward sold at $40,000 over the actual expense of construction. All these difficulties in the movement of troops were overcome, and in a short period of time.

NAPOLEON IN MEXICO—HIS INVASION A PART OF OUR REBELLION.

The effect of this large movement of troops on the destiny of imperialism in Mexico has not been fully appreciated by our people. It is, however, well known that while we were struggling for republican existence against organized rebellion, and when nearly all the heads of the Governments of Europe (except Russia) wished, and did believe, that republicanism was not a success, the Emperor of the French undertook the bold experiment to subvert the republic of Mexico. There was no territorial question to be settled, and history will not excuse the attempted annihilation of a nation on the plea of non-payment of a million or two of debts due. There was no good excuse for this attempted violation of rights, and the history of imperialism in Mexico is only the history of the buccaneer MORGAN on a more extended scale, who at one time, with a force held Panama, on the Isthmus, until he could hold it no longer. So that when this movement of our troops to Texas and the Rio Grande took place, we found the line of that river and all Northern Mexico in the hands of Imperialism; a Government which collected no taxes, had no system of government, and supported its partisans, soldiers and officers by levying contributions on the poor inhabitants; but the appearance of our troops and the knowledge that friends were on the border went like electricity to the homes and hearts of the Mexican people. The rebels who had escaped from our country received no sympathy, and in less than a year this hardy people, without money, without arms and munitions of war, and without supplies, have recaptured Matamoras, Camargo, Presidio de Rio Grande, Lampissas, Monterey, Saltillo, Monclova, Durango, Chihuahua, and, in fact, hold nearly all of the country, putting the invaders on the defensive and confining them to the Valley of Mexico, with a fair prospect of their speedy extermination.

PLAIN ENGLISH.

I have felt much interest in this event, because I have always believed that the occupation of Mexico was a part of the rebellion; and believing that the contest in our own country was for the vindication of republicanism, I did not think that that vindication would be complete until MAXIMILIAN was compelled to leave.

The course taken by nearly every newspaper in the late rebellious States was sympathy for MAXIMILIAN, and the sentiment of a large portion of the population was likewise; and so determined was this on the part of thousands of adventurers that the Cordova emigration scheme was gotten up, and had, I think, for its object the formation of a Maximilian-American party, composed of Confederates entertaining antipathy towards our Government. Many of these, having no means, would have gone to the army of MAXIMILIAN. I had to take strong grounds against this emigration, and finally broke it up by refusing to permit emigrants to embark from the seaports within the limits of my command.

EFFECT OF OUR PRESENCE.

The effect of the presence of our troops in Texas and on the Rio Grande, as alluded to heretofore, on the destiny of imperialism was great. It had not a friend among the officers or men, from the highest to the lowest grade, and the effect was depressing in the extreme—so much so that I am inclined to believe that had a demand been made for the withdrawal of the Imperial troops, on the ground that the invasion of MEXICO was a part of the rebellion, it would have been granted, and the miseries of that country for the last year avoided.

While the Imperial troops held the line of the Rio Grande, the strictest neutrality was preserved. Since they have been drawn away the same honorable neutrality has been preserved toward the Liberal Government.

MORE DIFFICULTIES.

The number of troops sent to Texas was about 52,000. Shortly after they had arrived, and become somewhat settled, orders came for the muster-out of about 47,000 of this force, and the muster-out was carried on gradually, and in accordance with our ability to bring them back, so that the movement may be considered as equal to a continuous movement of over 90,000 men over the most difficult line of operations which we have in the country. I make these remarks, because I was under the impression at one time that the Quartermaster-General did not fully understand the magnitude of the movement, or the natural obstacles in the way of its accomplishment, and we had to struggle for six months without funds, on the plea that the Brazos Railroad was constructed without authority, and the public service made to suffer a punishment by this denial of funds. I believe the Quartermaster-General was influenced in this act by the representations of incompetent inspectors sent out to make reports.

AFFAIRS IN TEXAS.

The condition of civil affairs in Texas was anomalous, singular and unsatisfactory. I found the Provisional Governor, backed by a small portion of the population, had for his standard of loyalty "abhorence for the rebellion and glory in its defeat," while his successor, as actual Governor, had for his standard of loyalty "pride in rebellion; that it was a righteous but lost cause, being overpowered by the Federal forces." Both of these representatives of the civil law, entertaining opposite standards for the loyalty of their subjects, I was required to support, and did it to the best of my ability; but it has been embarrassing in the extreme. Gov. HAMILTON, the Provisional Governor, was clamorous for more troops, and in several communications to me asserted that the civil law could not be carried out; that freedmen would be killed and Union men driven from the State without military support, which I gave whenever it was possible. Gov. THROCKMORTON, the present Governor, wants all the troops moved from the settled portions of the State, asserting that the civil law was all right; that justice would be done to freedmen, Union men, and our soldiers in the courts. But justice is not done. To give you an instance of this, two soldiers were shot at Brenham, Texas, about two months ago; they were unarmed, and offered no provocation. The Grand Jury could find no bill against their would-be assassins, but found a bill against Brevet Major SMITH, Seventeenth Infantry, for burglary, because he broke into the house of some citizen in his attempt to arrest these men.

STATUS OF THE FREEDMAN.

My own opinion is that the trial of a white man for the murder of a freedman in Texas, would be a farce, and in making this statement I make it because truth compels me, and for no other reason.

INDIAN DEPREDATIONS.

During the last six months Indian depredations have taken place on the remote frontier. Their extent is not defined as yet, but they are not very alarming, and I think that the Governor has to some extent been influenced by exaggerated reports, gotten up in some instances by frontier people to get a market for their produce, and in some instances by army contractors to make money.

I have ordered two regiments of cavalry to the frontier and placed a regiment of infantry at Austin, to be moved if necessary.

SPEAKING OUT AGAIN.

It is strange that over a white man killed by Indians on an extensive frontier the greatest excitement will take place, but over the killing of many freedmen in the settlements nothing is done. I cannot help but see this, and I cannot help but tell it to my superiors, no matter how unpleasant it may be to the authorities of Texas.

FRONTIER POSTS.

I will establish the frontier posts in Texas in the early Spring. It was not done heretofore on account of having no available reliable troops, and to have attempted it with volunteer troops, desirous of returning to their homes, would have involved an expense which I did not like to put upon the Government.

AFFAIRS IN LOUISIANA—THE POLITICAL TROUBLES AND THE RIOTS.

In Louisiana there was about as much, if not more anomaly in civil affairs than in Texas.

Our depot was in New-Orleans, which, from its geographical position, became the main depot of the Gulf States, and in fact the whole Southwest. This place had necessarily been the headquarters of superior commanders, and as many of them appeared to have more ability in civil than in military affairs, they left the results of that ability to be settled by myself and the subordinate officers of my command—questions and claims, semi-military and semi-civil, of every possible phase, and so numerous and complicated that, after a fair examination, I think it will require one officer and ten clerks for over twelve months to brief and systematize what is yet left.

The settlement of such of those claims as have already come up has been a dead weight upon the legitimate military duties of my command. Then there was the accumulation, at this place, of material of war of every possible character, from ocean steamships down to pick-axes and spades, the disposition of which gave great labor; but by keeping steadily to work, and by the good judgment of subordinate commanders and staff officers of the different bureaus, this depot is now reduced to the present wants of the service.

At the time of my arrival at New-Orleans, as before alluded to, the civil affairs were much mixed up. Gov. J. Madison WELLS was legitimately holding the position of Governor; but a new election was to occur in the Summer or Fall, and although from the antecedents of the Governor, who supported the Federal authority, I had reason to expect good judgment, still, either on account of the approaching election (in which he was a candidate for reëlection) or because he thought it best, he was filling a number of vacancies in offices throughout the State by returned Confederates. I did not know this, as it was none of my business, until I learned it by the constant appeals made to me by men who were turned out to give place to new-comers whom they did not think deserving, and I only speak of it now because it led afterward to bitterness and shedding of blood, in which the military were to some extent involved.

The Governor was reëlected and the Legislature met; but it was found that the Governor had one will and the Legislature had another. Each hated the other, and trouble was sure to come. Not only was the Legislature in antagonism with the Governor, but all, or nearly all, the subordinate civil authorities of the State were against him. Many of these he had himself appointed, if they still held over after the election. Then the Governor commenced making appeals to the military authorities to support him, and when it was proper and legitimate, to serve the ends of justice, such support was given; but when it was to satisfy partisan or political purposes it was refused, and the military assumed the position that politics was outside of the profession, and that it could not be called on, legitimately, to serve the interests of either side. This bitter political feeling finally culminated in the massacre of the 30th of July, 1866. I have thought that had I been in the city this slaughter might have been avoided; but I did not expect it to occur, and I was led to this belief by a conversation which I had about the 1st of June last with Judge DURELL, then presiding officer of the Louisiana Convention of 1864, and who told me that he would decline to call it together. He asked if it could have military support. I said it could not; that I would not allow the military to be used for party purposes; but that if the parties in the State came into collision, it would be my duty to maintain the peace of the country, as I had before, and for some time past that the safety of life and property did not rest with the civil authorities when there was any great disturbing cause.

MATTERS IN FLORIDA.

In Florida there were no political issues involving the military authorities, although much annoyance occasionally came from arrests of officers and soldiers for acts alleged to have been committed during the rebellion. The people of Florida appeared to realize the fact that it would not make much difference to them what party was in power, and that their best interest was to throw off their coats and go to work to repair the disaster of the rebellion.

I am, General, very respectfully, your obedient servant,

P. H. SHERIDAN,
Major General U. S. A.

Brevet Major-Gen. JOHN A. RAWLINS, Chief of Staff, Washington, D. C.

Report of Maj.-Gen. D. E. Sickles.

HEADQUARTERS DEPARTMENT OF THE SOUTH, CHARLESTON, S. C., Oct. 30, 1866.

The issues of rations to refugees and freedmen subsequent to Jan. 1, 1866, were gradually diminished under the operation of orders from Department Headquarters forbidding issues to persons able to earn a living. The demand for labor during the year has been sufficient to employ every one willing to work. Agents of the Freedmen's Bureau, in some localities, issued rations improvidently. Over issues made by those Agents I have no direct control.

In compliance with the recent instructions of the Secretary of War, Bureau of Refugees, Freedmen and Abandoned Lands, Washington, Aug. 22, 1866, all issues to freedmen and refugees ceased on the 1st of October, except to the sick in hospitals and orphans in asylums heretofore established. For the ten days ending Oct. 10, 2,034 rations were issued to those two classes in North Carolina, and in South Carolina 1,090 rations. The Legislature of South Carolina, during its recent extraordinary session, made a liberal appropriation for the supply of corn to the destitute.

CONDITION OF THE SOUTH.

The most satisfactory progress seems to have been made during the past year in all that concerns the welfare of these States. A year ago civil authority did not exist. The duties of the Executive were in the hands of provisional functionaries appointed by the President. These have been replaced by Governors elected by the people. The Courts were all closed, and the administration of justice depended altogether on military tribunals. Now the Courts are all open, and the jurisdiction of military tribunals, except on the sea islands, is confined to persons in the military service, in cases arising under the Articles of War. The administration of municipalities, towns, and counties devolved upon military officers. The Police of Charleston, Columbia, Raleigh, and Wilmington was exclusively military. The taxes imposed, the streets that were lighted, the licenses granted, and all the regulations of commerce and trade, were subject to military authority. Now the local magistrates and officials chosen by the people, or appointed according to law, are discharging their ordinary duties. The Police is almost exclusively municipal. All taxes, assessments, and charges of every kind are levied by civil authorities, and all restrictions upon commerce, trade and intercourse, other than those imposed by the laws, have ceased.

FREEDMEN.

In the condition of the colored population the same gratifying progress has been observed. The act of emancipation has been ratified constitutionally by the spontaneous assent of these States. The Legislature of South Carolina has recognized the civil rights of freedmen as defined by the Civil Rights Bill. In North and South Carolina the Courts are open to freedmen for the protection of person and property. In South Carolina they are competent to testify in all cases, without disqualification on account of color, interest or relation to the subject matter. Their dwellings, schools, churches and societies are generally unmolested and secure. They are free to cultivate the soil for themselves, or to engage in any lawful calling, or to hire for wages, as they may choose. And it is only just to declare, as the result of my observation, that the conduct of the colored population has deserved all praise, and justifies the belief that, as freemen, they will become reliable, worthy and useful citizens. Conspicuous among the better tendencies of the race is their respect for religion. Devoted to their churches and preachers, they habitually attend divine service, and engage with singular earnestness in all religious observances. The belief is almost universal among the freedmen that their deliverance from servitude was the act of God.

The situation at the commencement of the agricultural year, which begins in the South about the 1st of January, was full of difficulties. Many of the planters had not obtained possession of their lands. Those who were in possession had little or no money. Plantations, buildings, fences, implements of husbandry, and stock could only be partially restored. The negroes generally had been led to hope that the Government would give them the lands and premises where they had been domiciled as slaves; hence they were unwilling to make engagements to work for others. With the restoration of civil authority, they apprehended injustice and oppression at the hands of their former masters. They were anxious to acquire lands for themselves. They desired especially to live somewhere under the exclusive jurisdiction of the Federal authority. Thousands found their way to the sea islands and the abandoned coast plantations, under the impression that Gen. SHERMAN'S field order gave these lands altogether to the freedmen. They were not disposed to work for the owners to whom lands had been restored, for they had been encouraged to believe that they could rightfully stay and cultivate the abandoned lands of which they had taken possession.

In South Carolina the legislation of 1865 failed to quiet the unreasonable and distrust of the freed people as to the security of their civil rights. The discussions in Congress and in the public journals, and the language of many public agents, kept alive the hope of receiving grants of lands from the Government.

All these circumstances contributed to make the colored people restless, migratory and indolent, producing general discontent and frequent collisions between the two races. Grave disorders becoming more and more frequent, I published a comprehensive order defining the principal relations between the whites and the freed people, and establishing regulations concerning the occupation of lands, labor, pauperism, vagrancy, disorderly conduct and crimes. (General Order No. 1, Jan. 1, 1866, Department of South Carolina, Appendix 5.) These regulations at least furnished positive and uniform rules for the government of all concerned, and contributed to establish order where all had been uncertainty and confusion.

The results were immediate and salutary. The planters evinced a disposition to employ as many hands as their means allowed. The freedmen generally went to work. Their desire to wander from place to place and to crowd together in towns and cities diminished. The facilities for traveling, which had been improvidently furnished by the agents of the Freedmen's Bureau, were curtailed by orders to the Quartermaster's Department to confine transportation strictly to the provisions of General Order No. 138, War Department, Adjutant-General's office, 1865. The misgivings of many planters as to the disposition of free negroes to work for wages gradually gave way. It soon became evident that with proper energy, capital, patience and tact on the part of the landholders, if they failed to make good crops, the failure would neither result from the lack of available hands nor from the omission of the military authorities to exert a proper influence upon the laboring population. (General Order No. 75, Department of South Carolina, Appendix 6.)

And now, at the close of the year, I do not hesitate to affirm that where the season has been favorable, wages liberal, facilities for culture ample, the superintendence diligent and judicious, and the laborers well treated, the average production has been equal to ordinary years before emancipation. "Whenever the planters wish the thing to succeed, it to succeeds all." This remark, quoted from the report of the Marquis of Sligo, Colonial Governor of Jamaica in 1838, is as truly applicable to these States as it could have been to the British West Indies after emancipation.

RESTORATION OF CIVIL AUTHORITY.

On the first of January last the control of civil affairs in the City of Charleston was turned over to the Mayor and municipal authorities, with certain temporary reservations; these related mainly to the trial and punishment of negroes and the prohibition of the quasi military organization and equipment of the police, as it existed before emancipation.

Desiring to relieve the people from all unnecessary restraints incident to martial law, I directed, on the 4th of March last, that the administration of civil affairs in all the parishes and towns be remitted to the civil authorities, when duly appointed and qualified according to law, and prohibiting thereafter any military tax, assessment or charge of any kind, except fines and penalties imposed by provost courts or military commissions for offences whereof the party had been duly convicted. Civil officers have been required in all cases to obey the proclamation of the President, the laws of Congress, and all orders relating to the government of this Department, emanating from competent authority. No disqualification for office has been imposed except the refusal or neglect to take and subscribe the amnesty oath last prescribed, unless the party belonged to one of the classes excepted from amnesty, and in such cases full pardon from the President is required. Provost courts have been necessarily continued in operation, with jurisdiction in cases concerning persons of color, until such persons became legally competent to sue and testify in the State Courts, with the same rights and remedies accorded to other persons. (General Order No. 7, Department of South Carolina, March 4, 1866, Appendix 7.)

Cotemporaneously with these measures, the muster out of the volunteer force, and the general improvement in the condition of affairs rendered it expedient and practicable to discontinue the military district and sub-district organization, and to establish posts embracing territorially, several counties. These have been garrisoned by one or two companies, from which mounted detachments and patrols could be furnished when required, post commanders reporting directly to department headquarters. This organization was continued until the assignment of Gens. ROBINSON and SCOTT to the military commands of North and South Carolina. I desired also that post commanders should be ex officio agents of the Freedmen's Bureau, reporting in that capacity to the Assistant Commissioner; and so far as this suggestion has been adopted, the gain to the public service and to the interests of all concerned has been manifest. In my judgment, all the legitimate duties of the Freedmen's Bureau can be more efficiently and promptly performed by post commanders, who will have not only the necessary authority, but also the means and the facilities at their disposal to enforce their orders. The administrative and economical advantages are obvious enough.

The superior courts, the local magistracy and the town and municipal authorities have generally shown a proper disposition to do justice between man and man and to afford protection to all good citizens. Unfortunately, however, there are exceptions to be made to this statement. In some parts of Barnwell, Edgefield, Newberry, Chester, Laurens and Richland Districts, (counties,) in South Carolina, a freedman has little security for life, limb, or property, apart from the presence and protection of a garrison of United States troops. There are other districts in the western part of South Carolina where the same insecurity exists. The truth is, that in certain localities of these States, personal encounters, assaults and difficulties between citizens, often resulting in serious wounds and death, have for years occurred without the serious notice or action of the civil authorities; and in those neighborhoods where it has heretofore seemed to the population officiously to arrest and punish citizens for assault upon each other, they can hardly be expected to yield with any grace to arrests for assaults and outrages upon negroes. It is precisely in these localities that the most impatience is displayed at the presence of a garrison, because people who have long violated civil law with impunity dislike martial law or any other law that is enforced.

OUTRAGES AND THE PERPETRATORS.

In consequence of the vigilance of the garrisons and the punishment which has followed the perpetration of outrages upon refugees and freedmen, when the guilty parties became known to the military authorities, these crimes are generally committed by bands of outlaws and marauders, composed of the most reckless and abandoned characters, organized mainly for plunder and pillage. There is reason to believe that organizations of these banditti, more or less numerous, and connected with each other, exist in the localities I have mentioned, and have their accomplices with corresponding organizations in the border counties of Georgia, Tennessee and North Carolina. They defy the civil authorities; they overawe the well-disposed population. They often elude the garrisons, because it is impossible to obtain from the people in the neighborhood of their depredations or of their resorts any reliable information about them. Even the colored people generally prefer to evade inquiries rather than expose themselves to certain vengeance as the penalty of disclosures that would cause the arrest and punishment of one or more of these confederated bands. His Excellency the Governor of South Carolina, who has endeavored, by means of rewards privately offered, to effect the arrest of some of these offenders, has succeeded in capturing one or two of them, and they are now in the hands of the civil authorities awaiting trial.

In July last a party of guerrillas, disguised as blacks, rode into the county town of Newberry, dismounted, tied their horses, and proceeded to the house of one AMOS WESLEY, a colored barber, who resided near the court-house; they killed him in the presence of his wife and family, mounted their horses and rode off. No arrests were made at the time, and the ringleaders are still at large, although several of them are known to the authorities. WESLEY had wronged no one, and seems to have been an inoffensive person, although, perhaps, somewhat indiscreet in speech. He had, however, been warned to leave Newberry, and it appears he intended to move somewhere as soon as he could find a suitable place for his calling. The officer sent to investigate the affair arrested two persons as accomplices in the crime, but the evidence was not deemed sufficient to justify their detention. Report of Maj. EVERTON, Aid-de-Camp, Appendix 8.) All the papers in the case have been furnished to His Excellency the Governor of South Carolina, in compliance with his request, for his information and action.

Two or three weeks ago a party of men, similarly disguised as blacks, went to the residence of Mr. BIGLOW, a teacher of a school for colored children in the town of Aiken in Barnwell District; displaying weapons and threatening violence, they compelled him to leave the place, never to return, under pain of death. Mr. BIGLOW was requested to return by the Post-Commander, and was assured of protection, but declined to do so, fearing he could not, without more hazard than he was willing to incur, resume his avocation in Aiken. This place has long been a favorite Summer resort for invalids and for people of wealth and refinement from the South. It is the headquarters of a military post, garrisoned by Company H, Fifth United States Cavalry. Brevet Major WALKER, United States Army, the post commander, has exerted himself with zeal and diligence to obtain sufficient testimony to justify the arrest of the perpetrators of this outrage, and although, as he reports to me, they are well known to the neighborhood and suspected by himself, it has been as yet impossible to obtain reliable testimony on the subject. The civil authorities have taken no action in the case so far as I am informed.

OPERATIONS OF THE COURTS.

It sometimes happens, indeed, that arrests are made of the worst class of offenders, and occasionally they are tried and punished. Instances of much gravity are too frequent, however, of the most reprehensible neglect to arrest and prosecute notorious malefactors and outlaws. Inquests in case of homicide, especially if the victim be a negro, seldom result in a verdict which points out the guilty. When arrests are made by military authority, and the parties turned over to the civil tribunals, they are generally admitted to easy bail. The sittings of the Superior Courts only occur twice a year, so that justice is slow at best. It became necessary, therefore, to authorize commanding officers to treat these outlaws as guerrillas, and punish them summarily. On the 12th of October the commanding officer of the post of Chester, in compliance with General Order No. 15, current series, Department of the South, turned over the jail to the Sheriff, and also the custody of the prisoners, several of whom had been confined on charges of the most serious character. The Sheriff was admonished by Brevet Major CARTER, United States Army, commanding, of the desperate character of some of the inmates, and of the necessity for vigilance; but, on the second night after the Sheriff had taken possession, all the prisoners escaped. It being apparent that no reliance could be placed on the Sheriff, I have communicated the occurrence to His Excellency the Governor of South Carolina, and directed the post commander to resume possession of the jail, capture the escaped prisoners if possible, and hold them in military confinement until the proper judicial tribunal shall be ready to try them.

MILITARY ARRESTS.

The orders of the General-in-Chief, General Order No. 44, headquarters of the army, Adjutant-General's office, July 6, 1866, directing the arrest of offenders and their detention in military custody, in cases where the civil authorities fail, neglect, or are unable to arrest and bring offenders to trial, have been strictly and vigilantly enforced. These orders have had the effect of stimulating the action of civil authorities, especially in certain localities notorious for the insecurity of person and property.

UNITED STATES COURTS.

Since the organization of the Courts of the United States in North and South Carolina, respectively, all cases of admiralty jurisdiction, and all other proceedings civil or criminal, of which those Courts have cognizance, have been remitted to them. No complaint or suggestion has reached me from any quarter of any failure of justice in those tribunals. North Carolina having, in all trials, civil or criminal, except the crime of rape when charged against a negro, extended the laws of the commonwealth impartially to all persons, without distinction on account of color or race, jurisdiction of all cases, whether civil or criminal, with the exception just now mentioned, has been remitted to the ordinary civil tribunals of the State. The distinguished civilian and statesman of North Carolina reports that he finds, "in most parts of the State, a willingness on the part of civil officers to aid the military commanders in bringing criminals of all colors to justice, and generally giving all classes their just rights." Gen. ROBINSON, however, remarks that "petitions from loyal men throughout the State, setting forth grievances and stating that they are being prosecuted for acts done in their military capacity and while protecting loyal persons," have been received by him; and he reports that "in all cases clearly ascertained the executive officers of judicial circuits have been notified to discontinue such prosecutions."

Approving of the action of the district commander, I have directed in such cases, in compliance with General Order No. 3, War Department, Adjutant-Generals office, Jan. 19, 1866, that all parties within the provisions of that order be protected from such penalties or damages that may have been or may be adjudged against them in the Courts of North Carolina.

In South Carolina I directed, in June last, that all white civilians in military custody charged with felonies or misdemeanors be turned over to the civil magistrates and tribunals of the State for trial, according to the nature and character of the offence charged, and of the jurisdiction of the Court having legal cognizance thereof. Serious doubts having been entertained whether in prosecutions of white persons for offences against freedmen the latter would be deemed competent witnesses in the State Courts, I requested His Excellency the Governor to submit the question to the Chief-Justice of the Court of Appeals, who replied, the Governor concurring, that the Courts of General Sessions always had cognizance of offences committed by white persons against the person or property of freed persons of color; and that, under the provisions of the law of 1866, persons of color became competent to testify before Grand Juries, Magistrates and Courts, in criminal cases, touching the person or property of persons of color. The laws of South Carolina had not then placed the freed people upon an equal footing in the Courts, as parties; and, therefore, cases in which they were concerned remained temporarily within the exclusive jurisdiction of military tribunals.

SOUTH CAROLINA LEGISLATION.

In September His Excellency the Governor of South Carolina convened the Legislature in extraordinary session, when laws were passed substantially recognizing the civil rights of the freed people, as those rights are defined in the Civil Rights Bill passed by Congress. This concession gave all people of color the same remedies for wrongs and the same protection enjoyed by the most favored citizen. Their competency to sue and to testify in all cases, to make contracts, and to hold, convey or bequeath property, whether real or personal, has been expressly recognized in South Carolina.

These laws having been officially communicated to me, I have directed that all cases, civil or criminal, in which the parties are civilians, be turned over to the State tribunals, that the jails and prisons be restored to the Sheriffs, and that military Provost Courts be discontinued, except on the sea islands, where provisional tribunals cannot for the present be superseded, inasmuch as civil authority has not yet been organized and established. A large portion of the territory of these islands remains under the control of the Bureau of Abandoned Lands, Freedmen, &c., and of the United States Tax Commissioners, pursuant to the legislation of Congress at the last session.

The Courts throughout the Department have been interdicted from entertaining prosecutions or suits against persons for acts done by them by competent military authority; or against any one who adhered to the Union during the rebellion, for acts done in opposition to rebel forces and agents; or for the possession and use of abandoned lands or other property held by authority of the President or any civil or military department of the Government.

In remitting to civil authority the comprehensive jurisdiction for some time exercised under martial law, the occasion was deemed a proper one to enjoin upon the freed people their duty to yield unhesitating obedience to the civil laws and magistracy, and also to commend to the authorities and inhabitants in general the considerate, forbearing, and patient execution of the laws in all matters concerning the numerous population so recently vested with civil rights and the obligations of citizens. Considerations affecting public tranquility and order suggested the expediency of prohibiting whipping as a punishment for men and women, and likewise the sale of persons convicted of vagrancy and other offences for periods of involuntary service.

Under the operation of the legislation and the General Orders to which allusion has been just made, the Superior